United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 23, 2026

BioCryst Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**000-23186**	**62-1413174**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

4505 Emperor Blvd., Suite 200
Durham, North Carolina 27703
(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code: **(919) 859-1302**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	**BCRX**	**Nasdaq Global Select Market**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry Into a Material Definitive Agreement.

On January 23, 2026 (the "Closing Date"), BioCryst Pharmaceuticals, Inc., a Delaware corporation ("BioCryst"), entered into a Loan Agreement (the "Loan Agreement"), by and among BioCryst, as borrower, the guarantors from time to time party thereto, Blackstone Alternative Credit Advisors LP and Blackstone Life Sciences Advisors L.L.C., as the Blackstone representatives thereunder, the lenders from time to time party thereto and Wilmington Trust, National Association, as agent. The Loan Agreement provides for initial term loans in the principal amount of $400 million (the "Term Loans"), which were funded on the Closing Date.

BioCryst intends to utilize the proceeds from the Term Loans solely (i) to pay the cash portion of the consideration required to consummate the Merger (as defined below) and pay other expenses related to the Merger, (ii) to pay the fees, premiums, expenses and other transaction costs incurred in connection with the transactions related to the Merger and the Loan Agreement, and (iii) for working capital and other general corporate purposes of BioCryst and its subsidiaries. The maturity date of the Term Loans under the Loan Agreement is January 23, 2031 (the "Maturity Date"), the fifth anniversary of the Closing Date.

The Loan Agreement provides for quarterly interest-only payments until the Maturity Date, with the unpaid principal amount of the outstanding Term Loans due and payable on the Maturity Date. Until the second anniversary of the Closing Date, BioCryst has the option to make a portion of the applicable interest payment on the Term Loans in kind (a "PIK Interest Payment") by capitalizing as principal on the Term Loans up to 200 basis points of interest that is payable for such interest period. The Term Loans will bear interest at a rate equal to the three-month SOFR rate, which shall be no less than 1.75%, plus 4.50%, per annum and, for any interest period in which a PIK Interest Payment is made, the interest margin for such borrowing will be increased by 0.50% per annum on all Term Loans for which BioCryst has made a PIK Interest Payment for the applicable interest period.

BioCryst is required to make a mandatory prepayment of the Term Loans (i) upon the occurrence of a change of control of BioCryst, (ii) upon the incurrence of certain indebtedness not permitted under the Loan Agreement, and (iii) subject to certain exceptions and thresholds, upon the receipt of proceeds from the sale of certain assets of BioCryst and its subsidiaries, or from the receipt of proceeds from certain events of loss related to assets of BioCryst and its subsidiaries. BioCryst may make voluntary prepayments under the Term Loans, in whole or in part. Prepayments are subject to a yield protection premium equal to (i) with respect to any prepayment made prior to the first anniversary of the Closing Date, the sum of (1) 3.00% of the principal amount of the Term Loan being prepaid plus (2) the aggregate amount of all interest that would have accrued on the principal amount of the Term Loan being prepaid from the date of prepayment through the first anniversary of the Closing Date; (ii) with respect to any prepayment made on or after the first anniversary and prior to the second anniversary of the Closing Date, 3.00% of the principal amount of the Term Loan being prepaid; (iii) with respect to any prepayment made on or after the second anniversary and prior to the third anniversary of the Closing Date, 2.00% of the principal amount of the Term Loan being prepaid; (iv) with respect to any prepayment made on or after the third anniversary and prior to the fourth anniversary of the Closing Date, 1.00% of the principal amount of the Term Loan being prepaid; and (v) with respect to any prepayment made on or after the fourth anniversary of the Closing Date, 0.00% of the principal amount of the Term Loan being prepaid. The foregoing yield protection premium is also payable upon certain mandatory prepayments or an acceleration that occurs within such periods.

The Loan Agreement also contains representations and warranties and affirmative and negative covenants customary for financings of this type, as well as customary events of default. Certain of the customary negative covenants limit the ability of BioCryst and certain of its subsidiaries to, among other things, dispose of assets, engage in mergers, acquisitions and similar transactions, incur additional indebtedness, grant liens, make investments, pay dividends or make distributions or certain other restricted payments in respect of equity, prepay certain other indebtedness, enter into restrictive agreements, undertake fundamental changes or amend certain material contracts, among other customary covenants, in each case subject to certain exceptions.

A failure to comply with the covenants in the Loan Agreement, or an occurrence of any other event of default, could permit the lenders under the Loan Agreement to declare the borrowings thereunder, together with accrued interest and fees, and any applicable yield protection premium, to be immediately due and payable.

BioCryst's obligations under the Loan Agreement are secured by a security interest in, subject to certain exceptions, substantially all of the assets of BioCryst and its subsidiaries.

The foregoing description of the Loan Agreement is not complete and is qualified in its entirety by reference to the full text of the Loan Agreement, which will be filed as an exhibit to BioCryst's next periodic report filed with the U.S. Securities and Exchange Commission (the "SEC").

Item 2.01. Completion of Acquisition or Disposition of Assets.

On the Closing Date, BioCryst completed the transactions contemplated by the Agreement and Plan of Merger, dated as of October 14, 2025 (the "Merger Agreement"), by and among BioCryst, Axel Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of BioCryst ("Merger Sub"), and Astria Therapeutics, Inc., a Delaware corporation ("Astria"). On the Closing Date, Merger Sub merged with and into Astria (the "Merger"), with Astria surviving the Merger as a wholly owned subsidiary of BioCryst. The Merger was more fully described in BioCryst's Registration Statement on Form S-4 (File No. 333-291678) filed with the SEC on November 20, 2025, and amended on December 15, 2025 (the "Registration Statement").

At the effective time of the Merger (the "Effective Time"), under the terms of the Merger Agreement, each share of common stock, par value $0.001 per share, of Astria ("Astria Common Stock") issued and outstanding immediately prior to the Effective Time (excluding shares held by BioCryst, Astria or their wholly owned subsidiaries or dissenting stockholders) was converted into the right to receive (i) 0.59 of a share of common stock, par value $0.01 per share, of BioCryst and, if applicable, cash in lieu of fractional shares, and (ii) $8.55 in cash, without interest, subject to applicable withholding taxes. Astria's Series X Convertible Preferred Stock, par value $0.001 per share, outstanding options to purchase shares of Astria Common Stock, pre-funded warrants to purchase shares of Astria Common Stock and other warrants to purchase shares of Astria Common Stock were treated as set out in the Merger Agreement and more fully described in the Registration Statement.

The foregoing summary of the Merger Agreement and the Merger is not complete and is qualified in its entirety by reference to the complete text of the Merger Agreement, which is attached as Exhibit 2.1 to this Current Report on Form 8-K, and incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 above is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On January 23, 2026, BioCryst issued a press release announcing the consummation of the Merger. A copy of the press release is attached as Exhibit 99.1 hereto and incorporated herein by reference.

The information in this Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 furnished hereby, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing made by BioCryst under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of the businesses acquired.

The financial statements of Astria required by Item 9.01(a) of this Current Report on Form 8-K are attached as Exhibits 99.2 and 99.3 to this Current Report on Form 8-K and incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed combined financial statements of BioCryst as of September 30, 2025, for the nine months ended September 30, 2025, and for the year ended December 31, 2024, were included in the Registration Statement beginning on page 100, and are omitted in reliance on General Instruction B.3 to Form 8-K.

(d) Exhibits.

Exhibit No.	Exhibit
2.1	Agreement and Plan of Merger by and among BioCryst Pharmaceuticals, Inc., Axel Merger Sub, Inc. and Astria Therapeutics, Inc., dated October 14, 2025 (incorporated herein by reference to Exhibit 2.1 to BioCryst's Current Report on Form 8-K filed on October 14, 2025)*
99.1	Press Release dated January 23, 2026
99.2	Condensed Consolidated Interim Financial Statements (Unaudited) of Astria Therapeutics, Inc. as at September 30, 2025 and December 31, 2024 and for the three and nine months ended September 30, 2025 and 2024
99.3	Consolidated Financial Statements of Astria Therapeutics, Inc. as at December 31, 2024 and 2023 and for the years ended December 31, 2024 and 2023, the notes related thereto and the report of independent registered public accounting firm contained therein
99.4	Consent of Ernst & Young LLP
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Schedules and similar attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby agrees to furnish a copy of any omitted schedule or similar attachment to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BIOCRYST PHARMACEUTICALS, INC.

Date: January 23, 2026

By: /s/ Alane Barnes
Alane Barnes
Chief Legal Officer

Exhibit 99.1

BioCryst Completes Acquisition of Astria Therapeutics, Expanding Leadership in Hereditary Angioedema

RESEARCH TRIANGLE PARK, N.C. – January 23, 2026 – BioCryst Pharmaceuticals, Inc. (Nasdaq: BCRX) today announced that it has completed its acquisition of Astria Therapeutics, Inc., initially announced on October 14, 2025. The transaction strengthens its position as a leader in hereditary angioedema (HAE) and enhances the company's long-term growth trajectory.

BioCryst adds navenibart, a late-stage, long-acting plasma kallikrein inhibitor currently in Phase 3 clinical development, to its HAE portfolio. The potential to be the first HAE therapy with every-three and every-six month dosing, combined with a high level of attack control, positions navenibart to significantly improve the treatment experience for HAE patients.

With the addition of navenibart, BioCryst could offer both the leading oral therapy (ORLADEYO®) and a potentially best-in-class injectable prophylactic option – empowering physicians and patients with optimal choices for individualized care. BioCryst expects its commercial infrastructure, patient support platform, and deep HAE expertise will maximize the launch trajectory and peak revenue potential of navenibart with minimal incremental commercial investment.

BioCryst also obtains Astria's early-stage program for atopic dermatitis, STAR0310, for which the company plans to pursue strategic alternatives.

Transaction Details
The acquisition was completed for an implied transaction value of approximately $700 million, net of Astria's cash at closing. BioCryst financed the cash portion of the acquisition with cash on hand and approximately $396.6 million (net of expenses) drawn from a financing facility with funds managed by Blackstone. In addition, at the closing of the transaction, BioCryst issued approximately 37.3 million shares of its common stock to Astria's equity holders.

Leadership Appointments
Jill C. Milne, Ph.D., Co-Founder and Chief Executive Officer of Astria Therapeutics, has joined the BioCryst Board of Directors, further strengthening the company's strategic leadership and rare disease expertise. In addition, John Ruesch, Senior Vice President, Pharmaceutical Sciences and Technical Operations at Astria, has joined BioCryst as Chief Technical Operations Officer, bringing deep CMC and product development expertise to support the advancement and commercialization of navenibart and other pipeline programs.

Advisors
BofA Securities, Inc. served as exclusive financial advisor and Covington & Burling LLP served as legal counsel to BioCryst. Evercore served as exclusive financial advisor and Sidley Austin LLP served as legal counsel to Astria.

About BioCryst Pharmaceuticals

BioCryst is a global biotechnology company focused on developing and commercializing medicines for hereditary angioedema ("HAE") and other rare diseases, driven by its deep commitment to improving the lives of people living with these conditions. BioCryst has commercialized ORLADEYO® (berotralstat), the first oral, once-daily plasma kallikrein inhibitor, and is advancing a pipeline of potential first-in-class or best-in-class oral small-molecule and injectable protein therapeutics for a range of rare diseases. For more information, please visit www.biocryst.com or follow us on LinkedIn.

Forward-Looking Statements

This press release contains forward-looking statements, including statements regarding future results, performance or achievements, expectations regarding BioCryst's growth trajectory, and statements related to BioCryst's acquisition of Astria Therapeutics, Inc. (the "Merger"), including the expected benefits of the Merger, the combined company's performance following the Merger, anticipated approval and commercialization of navenibart, anticipated benefits, performance, and competitive positioning of navenibart, including its potential best-in-class profile and impact on patient treatment, and BioCryst's plans for the STAR-0310 program. These statements involve known and unknown risks, uncertainties and other factors which may cause BioCryst's actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. These statements reflect our current views with respect to future events and are based on assumptions, including assumptions related to the potential benefits of the Merger, and are subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Some of the factors that could affect the forward-looking statements contained herein include: BioCryst's ability to successfully implement or maintain its commercialization plans for ORLADEYO; BioCryst's ability to successfully progress its pipeline development plans, including meeting the expected timelines; the results of BioCryst's partnerships with third parties may not meet BioCryst's current expectations; risks related to government actions, including that decisions and other actions, including as they relate to pricing, may not be taken when expected or at all, or that the outcomes of such decisions and other actions may not be in line with BioCryst's current expectations; the commercial viability of ORLADEYO, including its ability to achieve sustained market acceptance and demand; ongoing and future preclinical and clinical development of product candidates may take longer than expected and may not have positive results; the outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results; BioCryst may not be able to enroll the required number of subjects in planned clinical trials of product candidates; BioCryst may not advance human clinical trials with product candidates as expected; the FDA or other applicable regulatory agency may require additional studies beyond the studies planned for products and product candidates, may not provide regulatory clearances which may result in delay of planned clinical trials, may not review regulatory filings on our expected timeline, may impose certain restrictions, warnings, or other requirements on products and product candidates, may impose a clinical hold with respect to product candidates, or may withhold, delay or withdraw market approval for products and product candidates; product candidates, if approved, may not achieve market acceptance; BioCryst's ability to successfully commercialize its products and product candidates; BioCryst's ability to successfully implement its plans to pursue strategic alternatives for STAR-0310; BioCryst's ability to successfully manage its growth and compete effectively; timing for achieving or sustainability of profitability and positive cash flow may not meet management's expectations; statements and projections regarding financial guidance and goals and the attainment of such goals may differ from actual results or may not be achieved on the expected timelines, or at all, based on market factors and BioCryst's ability to execute its operational and budget plans; actual financial results may not be consistent with expectations, including that revenue, operating expenses and cash usage may not be within management's expected ranges; the possibility that the anticipated benefits of the Merger, including anticipated synergies, are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors in the areas where BioCryst does business; the significant indebtedness BioCryst incurred in connection with the Merger and the need to generate sufficient cash flows to service and repay such debt; diversion of management's attention from ongoing business operations and opportunities; potential adverse reactions or changes to business or employee relationships, including those resulting from the completion of the Merger; and risks relating to the dilutive effect of shares of BioCryst common stock issued in the Merger. Please refer to the documents BioCryst files periodically with the Securities and Exchange Commission (the "SEC"), specifically BioCryst's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, which identify important factors that could cause actual results to differ materially from those contained in BioCryst's projections and forward-looking statements.

BCRXW

Contact:
Investors:
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Media:
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Astria Therapeutics, Inc.
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)

(Unaudited)

	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 96,280	$ 59,820
Short-term investments	131,441	268,312
Accounts receivable	17,243	-
Prepaid expenses and other current assets	8,582	6,511
Total current assets	253,546	334,643
Right-of-use asset	4,254	5,114
Other assets	14,066	2,606
Total assets	$ 271,866	$ 342,363
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 1,137	$ 4,320
Accrued expenses	16,481	13,427
Operating lease liabilities, current	1,404	1,384
Deferred revenue, current	4,495	-
Total current liabilities	23,517	19,131
Operating lease liabilities, net of current portion	3,055	3,969
Deferred revenue, net of current portion	12,041	-
Total liabilities	38,613	23,100
Commitments (Note 7)		
Stockholders' equity:		
Preferred stock, $0.001 par value per share, 4,908,620 shares authorized and no shares issued or outstanding	-	-
Series X redeemable convertible preferred stock, $0.001 par value per share, 91,380 shares authorized; 31,107 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	95,324	95,324
Common stock, $0.001 par value per share, 150,000,000 shares authorized; 56,434,894 and 56,434,219 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	57	57
Additional paid-in capital	911,014	898,513
Accumulated other comprehensive gain	56	163
Accumulated deficit	(773,198)	(674,794)
Total stockholders' equity	233,253	319,263
Total liabilities and stockholders' equity	$ 271,866	$ 342,363

The accompanying notes are an integral part of these condensed consolidated financial statements.

Astria Therapeutics, Inc.
Condensed Consolidated Statements of Operations
(In thousands, except share and per share data)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenue:				
Collaboration revenue	$ 706	$ -	$ 706	$ -
Operating expenses:				
Research and development	24,149	20,510	77,880	56,945
General and administrative	10,661	8,504	29,745	25,022
Total operating expenses	34,810	29,014	107,625	81,967
Loss from operations	(34,104)	(29,014)	(106,919)	(81,967)
Other income (expense):				
Interest and investment income	2,498	4,517	8,733	13,405
Other expense, net	(37)	(37)	(218)	(72)
Total other income, net	2,461	4,480	8,515	13,333
Net loss	(31,643)	(24,534)	(98,404)	(68,634)
Net loss per share attributable to common shareholders - basic and diluted	$ (0.55)	$ (0.42)	$ (1.70)	$ (1.24)
Weighted-average common shares outstanding used in net loss per share - basic and diluted	58,005,928	57,820,458	58,005,520	55,542,074

The accompanying notes are an integral part of these condensed consolidated financial statements.

Astria Therapeutics, Inc.
Condensed Consolidated Statements of Comprehensive Loss
(In thousands)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Net loss	$ (31,643)	$ (24,534)	$ (98,404)	$ (68,634)
Other comprehensive loss:				
Unrealized gain (loss) on short-term investments, net of tax of $0	72	376	(107)	331
Total other comprehensive gain (loss):	72	376	(107)	331
Comprehensive loss	$ (31,571)	$ (24,158)	$ (98,511)	$ (68,303)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Astria Therapeutics, Inc.
Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity
(In thousands, except share data)

(Unaudited)

	Series X redeemable convertible preferred stock, shares	Series X redeemable convertible preferred stock, value	Common stock, shares	Common stock, par value	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive gain (loss)	Total stockholders' equity
Balance at December 31, 2024	31,107	$ 95,324	56,434,219	$ 57	$ 898,513	$ (674,794)	$ 163	$ 319,263
Stock-based compensation expense	-	-	-	-	3,839	-	-	3,839
Unrealized loss on short-term investments	-	-	-	-	-	-	(103)	(103)
Net loss	-	-	-	-	-	(33,709)	-	(33,709)
Balance at March 31, 2025	31,107	95,324	56,434,219	57	902,352	(708,503)	60	289,290
Stock-based compensation expense	-	-	-	-	4,351	-	-	4,351
Unrealized loss on short-term investments	-	-	-	-	-	-	(76)	(76)
Net loss	-	-	-	-	-	(33,052)	-	(33,052)
Balance at June 30, 2025	31,107	95,324	56,434,219	57	906,703	(741,555)	(16)	260,513
Issuance of common stock upon exercise of options	-	-	675	-	3	-	-	3
Stock-based compensation expense	-	-	-	-	4,308	-	-	4,308
Unrealized gain on short-term investments	-	-	-	-	-	-	72	72
Net loss	-	-	-	-	-	(31,643)	-	(31,643)
Balance at September 30, 2025	31,107	$ 95,324	56,434,894	$ 57	$ 911,014	$ (773,198)	$ 56	$ 233,253

The accompanying notes are an integral part of these condensed consolidated financial statements.

Astria Therapeutics, Inc.
Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity
(In thousands, except share data)

(Unaudited)

	Series X redeemable convertible preferred stock, shares	Series X redeemable convertible preferred stock, value	Common stock, shares	Common stock, par value	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive gain (loss)	Total stockholders' equity
Balance at December 31, 2023	31,107	$ 95,324	41,034,797	$ 41	$ 728,285	$ (580,534)	$ -	$ 243,116
Issuance of common stock pursuant to an underwriting agreement, net of underwriter's discount and issuance costs	-	-	10,340,000	10	117,162	-	-	117,172
Issuance of common stock for at-the-market offerings, net of issuance costs	-	-	2,945,806	3	19,999	-	-	20,002
Issuance of common stock upon exercise of options and warrants	-	-	582,458	1	4,632	-	-	4,633
Stock-based compensation expense	-	-	-	-	2,754	-	-	2,754
Unrealized loss on short-term investments	-	-	-	-	-	-	(14)	(14)
Net loss	-	-	-	-	-	(19,928)	-	(19,928)
Balance at March 31, 2024	31,107	95,324	54,903,061	55	872,832	(600,462)	(14)	367,735
Issuance of common stock upon exercise of options	-	-	17,602	-	94	-	-	94
Stock-based compensation expense	-	-	-	-	3,451	-	-	3,451
Unrealized loss on short-term investments	-	-	-	-	-	-	(31)	(31)
Net loss	-	-	-	-	-	(24,172)	-	(24,172)
Balance at June 30, 2024	31,107	95,324	54,920,663	55	876,377	(624,634)	(45)	347,077
Issuance of common stock for at-the-market offerings, net of issuance costs	-	-	1,504,619	2	15,241	-	-	15,243
Issuance of common stock upon exercise of options	-	-	8,937	-	58	-	-	58
Stock-based compensation expense	-	-	-	-	3,434	-	-	3,434
Unealized gain on short-term investments	-	-	-	-	-	-	376	376
Net loss	-	-	-	-	-	(24,534)	-	(24,534)
Balance September 30, 2024	31,107	$ 95,324	56,434,219	$ 57	$ 895,110	$ (649,168)	$ 331	$ 341,654

The accompanying notes are an integral part of these condensed consolidated financial statements.

Astria Therapeutics, Inc.
Condensed Consolidated Statements of Cash Flows
(In thousands)

(Unaudited)

	Nine Months Ended September 30,	
	2025	**2024**
Operating activities		
Net loss	$ (98,404)	$ (68,634)
Reconciliation of net loss to net cash used in operating activities:		
Stock-based compensation expense	12,498	9,639
Right-of-use asset - operating lease	860	726
Amortization (accretion) of premium (discount) on investment securities	(2,655)	(4,232)
Other non-cash items	165	50
Changes in assets and liabilities:		
Accounts receivable	(17,243)	-
Prepaid expenses and other assets	(13,106)	(4,081)
Accounts payable	(3,184)	(235)
Accrued expenses	3,054	3,361
Operating lease liabilities	(893)	(444)
Deferred revenue	16,537	-
Net cash used in operating activities	(102,371)	(63,850)
Investing activities		
Purchases of short-term investments	(1,409,582)	(3,495,821)
Sales and maturities of short-term investments	1,549,000	3,308,000
Purchases of property and equipment	(590)	(325)
Net cash provided by (used in) investing activities	138,828	(188,146)
Financing activities		
Proceeds from exercise of stock options and warrants	3	4,785
Proceeds from public offering, net of underwriting discounts and issuance costs	-	117,172
Proceeds from at-the-market offering, net of issuance costs	-	35,245
Net cash provided by financing activities	3	157,202
Net increase (decrease) in cash, cash equivalents and restricted cash	36,460	(94,794)
Cash, cash equivalents and restricted cash, beginning of period	59,820	175,693
Cash, cash equivalents and restricted cash, end of period	$ 96,280	$ 80,899
Supplemental disclosure of non-cash transactions:		
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	$ -	$ 5,753

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. Nature of Business

The Company

Astria Therapeutics, Inc. (the "Company"), is a biopharmaceutical company focused on the discovery, development and commercialization of novel therapeutics for allergic and immunologic diseases. The Company's lead product candidate is navenibart, a potential best-in-class monoclonal antibody inhibitor of plasma kallikrein in clinical development for the treatment of hereditary angioedema ("HAE"), a rare, debilitating and potentially life-threatening disease. The Company's second product candidate is STAR-0310, a monoclonal antibody OX40 antagonist that is in clinical development for the treatment of atopic dermatitis ("AD"), an immune disorder associated with loss of skin barrier function and itching. The Company was incorporated in the State of Delaware on June 26, 2008.

Proposed Acquisition by BioCryst

On October 14, 2025, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with BioCryst Pharmaceuticals, Inc., a Delaware corporation ("BioCryst") and Axel Merger Sub, Inc., a Delaware corporation (the "Merger Sub") and a wholly owned subsidiary of BioCryst. See Note 13, Subsequent Events, for additional information.

Liquidity

In June 2021, the Company entered into an Open Market Sale Agreement℠ with Jefferies LLC ("Jefferies"), pursuant to which the Company could issue and sell shares of common stock under an at-the-market offering program (the "2021 ATM Program"), which was completed in the first quarter of 2024. In March 2024, the Company entered into a new Open Market Sale Agreement℠ with Jefferies, pursuant to which the Company is able to issue and sell up to $150.0 million of shares of common stock under an at-the-market offering program (the "2024 ATM Program" and collectively with the 2021 ATM Program, the "ATM Programs"). The Company pays Jefferies commissions of up to 3% of the gross proceeds from any common stock sold through the ATM Programs. There was no activity in the 2024 ATM Program during the three and nine months ended September 30, 2025. During the three months ended September 30, 2024, the Company sold an aggregate of 1,504,619 shares of common stock under the 2024 ATM Program for gross proceeds of $15.6 million and net proceeds of $15.2 million. During the nine months ended September 30, 2024, the Company sold an aggregate of 4,450,425 shares of common stock under the ATM Programs for gross proceeds of $36.2 million and net proceeds of $35.2 million.

As of September 30, 2025, the Company had an accumulated deficit of $773.2 million and had available cash, cash equivalents and short-term investments of $227.7 million. The Company estimates its existing cash, cash equivalents, and short-term investments are sufficient to sustain operations for at least twelve months from the issuance of these unaudited condensed consolidated financial statements.

The Company has not generated any product revenues and has financed its operations primarily through public offerings and private placements of its equity securities. There can be no assurance that the Company will be able to obtain additional debt, equity, or other financing or generate product revenue or revenues from collaborative partners, on terms acceptable to the Company, on a timely basis or at all. The failure of the Company to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on the Company's business, results of operations, and financial condition.

The Company is subject to a number of risks similar to other life science companies, including, but not limited to, successful discovery and development of its drug candidates, raising additional capital, development by its competitors of new technological innovations, protection of proprietary technology and regulatory approval and market acceptance of the Company's products. The Company has been primarily involved with research and development activities and has incurred operating losses and negative cash flows from operations since its inception. The Company anticipates that it will continue to incur significant operating losses for the next several years as it continues to develop its product candidates.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The Company's significant accounting policies are described in Note 2, "Summary of Significant Accounting Policies" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (the "2024 Annual Report on Form 10-K"), and there were no changes to such policies during the three and nine months ended September 30, 2025 that had a material impact on the Company's results of operations or financial position.

The accompanying financial statements and the related disclosures are unaudited and have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP"). Additionally, certain information and footnote disclosures normally included in the Company's annual financial statements have been condensed or omitted from this report. Accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with the financial statements as of and for the year ended December 31, 2024 and the notes thereto included in the 2024 Annual Report on Form 10-K.

The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited financial statements. In the opinion of the Company's management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, including those adjustments that are of a normal and recurring nature, which are necessary to fairly present the Company's results for the interim periods presented. The results for the three and nine months ended September 30, 2025 are not necessarily indicative of the results for the year ending December 31, 2025 or for any future period.

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Astria Securities Corporation and Quellis Biosciences, LLC, successor in interest to Quellis Biosciences, Inc. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the Company's unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the unaudited condensed consolidated financial statements and accompanying notes. Estimates are periodically reviewed considering changes in circumstances, facts and historical experience. Actual results could differ from such estimates.

The Company utilizes certain estimates to record expenses including, but not limited to, research and development contracts, the valuation of stock-based awards and estimates related to revenue recognized under the license agreement with Kaken Pharmaceutical Co., Ltd. (the "Kaken License Agreement") including estimates of internal and external costs expected to be incurred to satisfy performance obligations. The contract estimates, which are primarily related to the length of service of each contract and the amount of service provided as of each measurement date, are determined by the Company based on input from internal project management, as well as from service providers. The Company bases its estimates on historical experience, known trends, and other market-specific or other relevant assumptions it believes to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

Net Loss Per Share

Basic net loss per share attributable to common stockholders is calculated by dividing net loss attributable to common stockholders by the weighted average shares outstanding during the period, without consideration for common stock equivalents. The Company has included pre-funded warrants to purchase 1,571,093 shares of common stock at an exercise price of $0.001 per share in its computation of weighted average shares outstanding during the period. Diluted net loss per share attributable to common stockholders is calculated by adjusting weighted average shares outstanding for the dilutive effect of common stock equivalents outstanding for the period, determined using the treasury-stock method. For purposes of the Company's dilutive net loss per share attributable to common stockholders calculation, stock options and warrants to purchase the Company's common stock were considered to be common stock equivalents but were excluded from the calculation of diluted net loss per share attributable to common stockholders, as their effect would be anti-dilutive; therefore, basic and diluted net loss per share attributable to common stockholders were the same for all periods presented.

The following common stock equivalents, including Series X Preferred Stock shown as common stock equivalents, were excluded from the calculation of diluted net loss per share for the periods indicated because including them would have had an anti-dilutive effect:

	Three and Nine Months Ended September 30,	
	2025	**2024**
Stock options	11,531,468	6,564,686
Common stock warrants	6,796,280	6,796,280
Series X Preferred Stock	5,184,591	5,184,591
	23,512,339	18,545,557

Segment Information

Operating segments are identified as components of an enterprise for which separate discrete financial information is available for evaluation by the chief operating decision maker ("CODM") in making decisions on how to allocate resources and assess performance. The CODM is the Company's Chief Executive Officer. The Company views its operations and manages its business in one operating segment, focused on the discovery, development and commercialization of novel therapeutics for allergic and immunologic diseases. The Company operates in one geographic segment. Segment information is further described in Note 12, "Segment Reporting".

Cash and Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible into cash, with original maturities of three months or less. Cash equivalents are primarily comprised of money market accounts invested in U.S. Treasury securities, commercial paper and reverse repurchase agreements with a maturity period of one business day at the time of purchase.

Accounts Receivable

Accounts receivable primarily relate to upfront payments and cost sharing reimbursements due under the Kaken License Agreement. The Company makes judgments as to its ability to collect outstanding receivables and identifies facts, circumstances, and economic conditions that may indicate that its receivables are at risk of collection. The Company believes that the credit risk and risk of collection associated with the Kaken License Agreement is not significant and has not had any write-offs of bad debt or allowance for doubtful accounts as of September 30, 2025 and December 31, 2024.

Revenue Recognition

The Company recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), Topic 606, *Revenue Recognition* ("ASC 606"). Under ASC 606, the Company recognizes revenue when the customer obtains control of promised goods or services, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. To determine the appropriate amount of revenue to be recognized for arrangements determined to be within the scope of ASC 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the promises and performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Company satisfies the performance obligations. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations, and whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

The terms of the agreements include upfront fees, milestones and other contingent payments for the achievement of commercial and sales-based milestone events, as well as royalties. Arrangements that include upfront payments may require deferral of revenue recognition to a future period until obligations under such arrangements are fulfilled. As part of the accounting for these arrangements, the Company develops assumptions that require judgment to determine the standalone selling price for each performance obligation identified in the contract and the determination of the transaction price and the application of the constraints. The Company re-evaluates the transaction price at the end of each reporting period and adjusts the estimate as changes in circumstances occur. The event-based milestone payments represent variable consideration and are recognized when the sales occur. Given the high degree of uncertainty around the occurrence of these events, the Company determines the milestone and other contingent amounts to be fully constrained until the uncertainty associated with these events are determinable.

Preferred Stock Discount

In February 2021, the Company issued Series X Preferred Stock in a private placement transaction. The Company determined this transaction resulted in the recognition of a beneficial conversion feature, which was valued based on the difference between the price of the shares of common stock on the date of commitment and the conversion price on the closing date, resulting in a total value of $19.6 million. Additionally, the Company incurred total issuance costs of $5.7 million related to the private placement. Both of these features were recorded as a discount on Series X Preferred Stock recognized at the close of the transaction. These features are analogous to preferred dividends and are recorded as a non-cash return to holders of Series X Preferred Stock through additional paid-in capital. The discount related to the beneficial conversion feature is recognized through the earliest possible date of conversion, which occurred upon the stockholder approval of the conversion in June 2021. The issuance costs are recognized as a dividend at the time of conversion to common shares. As of September 30, 2025, $24.4 million of the above amounts were accounted for as a non-cash dividend related to shares of Series X Preferred Stock, and $0.9 million remained to be recognized upon future conversion.

Recently Enacted Tax Legislation

The One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. on July 4, 2025. The OBBBA legislation provides for the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, revisions to the international tax framework and the reinstatement of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented in future periods. Under U.S. GAAP, the effects of changes in tax laws are recognized in the period in which the new law is enacted. Accordingly, the Company has evaluated the legislation and concluded that it does not have a material impact to its consolidated financial statements for the quarter ended September 30, 2025 as the Company maintains a valuation allowance against its net deferred tax assets.

Recent Accounting Pronouncements – Adopted

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies and adopted by the Company as of the specified effective date.

In December 2023, the FASB issued Accounting Standards Update 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). This guidance is intended to enhance the transparency and decision-usefulness of income tax disclosures. The amendments in ASU 2023-09 address investor requests for enhanced income tax information primarily through changes to disclosure regarding rate reconciliation and income taxes paid both in the United States and in foreign jurisdictions. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 on a prospective basis, with the option to apply the standard retrospectively. Early adoption is permitted. ASU 2023-09 applies to disclosure requirements only, and the Company will provide required annual disclosures as part of the Company's Annual Report on Form 10-K for the fiscal year ending December 31, 2025. The Company is currently evaluating this guidance to determine the impact it may have on its consolidated financial statement disclosures.

Recent Accounting Pronouncements – Not Yet Adopted

In November 2024, the FASB issued Accounting Standards Update 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). The amendments in ASU 2024-03 require public entities to disclose in a tabular format, on an annual and interim basis, the amounts of inventory purchases, employee compensation, depreciation and intangible asset amortization included in each income statement line item that contains those expenses. In January 2025, the FASB issued Accounting Standards Update 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)* ("ASU 2025-01"). ASU 2025-01 amends the effective date of ASU 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption of ASU 2024-03 is permitted. The Company is currently evaluating this guidance to determine the impact it may have on its consolidated financial statement disclosures.

3. Fair Value Measurements

The carrying amounts reflected in the unaudited condensed consolidated balance sheets for cash, prepaid expenses and other current assets, accounts payable and accrued expenses approximate their fair values due to the short-term nature of these assets and liabilities. Items measured at fair value on a recurring basis include cash equivalents and short-term investments as of September 30, 2025 and December 31, 2024.

The following tables present information about the Company's financial assets and liabilities that have been measured at fair value and indicate the fair value hierarchy of the valuation inputs utilized to determine such fair value (in thousands):

	As of September 30, 2025			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Cash and cash equivalents:				
Money market funds	$ 47,665	$ -	$ -	$ 47,665
Treasury bills	24,934	-	-	24,934
Short-term investments:			-	
Treasury bills	74,274	-	-	74,274
Treasury notes	47,297	-	-	47,297
Corporate debt securities	-	9,870	-	9,870
Total	$ 194,170	$ 9,870	$ -	$ 204,040

	As of December 31, 2024			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Cash and cash equivalents:				
Money market funds	$ 30,610	$ -	$ -	$ 30,610
Short-term investments:				
Treasury notes	129,197	-	-	129,197
Reverse repurchase agreements	-	100,000	-	100,000
Treasury bills	39,115	-	-	39,115
Total	$ 198,922	$ 100,000	$ -	$ 298,922

There were no changes to the valuation methods used or transfers between Level 1, Level 2, and Level 3 during the three and nine months ended September 30, 2025 and 2024.

4. Short-Term Investments

The following tables summarize short-term investments (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
September 30, 2025				
Treasury bills	74,240	35	(1)	74,274
Treasury notes	47,281	16	-	47,297
Corporate debt securities	9,866	5	(1)	9,870
Total	$ 131,387	$ 56	$ (2)	$ 131,441

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2024				
Treasury notes	$ 129,064	$ 136	$ (3)	$ 129,197
Reverse repurchase agreements	100,000	-	-	100,000
Treasury bills	39,085	31	(1)	39,115
Total	$ 268,149	$ 167	$ (4)	$ 268,312

The contractual maturities of all short-term investments held at September 30, 2025 and December 31, 2024 were one year or less. There were six short-term investments in an unrealized loss position with an aggregate value of $19.6 million as of September 30, 2025 and two short-term investments in an unrealized loss position at December 31, 2024 with an aggregate value of $9.8 million. There were no short-term investments in an other than temporary unrealized loss position as of September 30, 2025 and December 31, 2024.

The Company is required to determine whether a decline in the fair value below the amortized cost basis of short-term investments is due to credit-related factors. At each reporting date, the Company performs an evaluation of impairment to determine if any unrealized losses are the result of credit losses. Impairment is assessed at the individual security level. Factors considered in determining whether a loss resulted from a credit loss or other factors include the Company's intent and ability to hold the investment until the recovery of its amortized cost basis, the extent to which the fair value is less than the amortized cost basis, the length of time and extent to which fair value has been less than the cost basis, the financial condition of the issuer, any historical failure of the issuer to make scheduled interest or principal payments, any changes to the rating of the security by a rating agency, any adverse legal or regulatory events affecting the issuer or issuer's industry, and any significant deterioration in economic conditions.

Unrealized losses on short-term investments presented in the previous table have not been recognized in the condensed consolidated statements of operations because the securities are high credit quality, investment grade securities that the Company does not intend to sell and will not be required to sell prior to their anticipated recovery, and the decline in fair value is attributable to factors other than credit losses. Based on its evaluation, the Company determined it does not have any credit losses related to its short-term investments as of September 30, 2025 and December 31, 2024.

Gross realized gains and losses on the sales of short-term investments are included in other income, net. Unrealized holding gains or losses for the period that have been included in accumulated other comprehensive income, as well as gains and losses reclassified out of accumulated other comprehensive income into other income, net, were not material to the Company's condensed consolidated statements of operations. The cost of investments sold or the amount reclassified out of the accumulated other comprehensive income into other income, net is based on the specific identification method for purposes of recording realized gains and losses. All proceeds during the three and nine months ended September 30, 2025 and 2024 related to maturities of underlying investments. The gains on proceeds from maturities of short-term investments were not material to the Company's condensed consolidated statements of operations for the three and nine months ended September 30, 2025 and 2024.

5. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	September 30, 2025	December 31, 2024
Accrued contracted costs	$ 9,175	$ 6,187
Accrued compensation	4,847	5,084
Accrued professional fees	2,405	1,963
Accrued other	54	193
Total	$ 16,481	$ 13,427

6. Leases

In January 2024, the Company entered into a sublease agreement (the "Sublease") with Duck Creek Technologies LLC to occupy 30,110 square feet of office space in Boston, Massachusetts to replace its existing office space. The Sublease commenced on June 1, 2024 and will end on November 30, 2028 (or on such earlier date as the term may cease or expire as set forth in the Sublease). The Company concluded that the Sublease was an operating lease and recognized a lease liability and right-of-use ("ROU") asset of approximately $5.8 million at the inception of the Sublease. The lease liability represents the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate of 7.49%. The ROU asset represents the lease liability adjusted for any prepaid and accrued rent payments. The Sublease is secured by a security deposit of $0.4 million. As of September 30, 2025, the remaining lease term of the Sublease was 3.2 years.

As of September 30, 2025, minimum lease payments under the Company's operating leases are summarized as follows (in thousands):

Year Ending December 31,	Amount
2025	266
2026	1,608
2027	1,640
2028	1,531
Total lease payments	$ 5,045
Less: imputed interest	(586)
Total operating lease liabilities	$ 4,459

Rent expense was $0.4 million and $1.1 million for the three and nine months ended September 30, 2025, respectively, and $0.4 million and $0.9 million for the three and nine months ended September 30, 2024, respectively. Lease payments were $0.4 million and $1.2 million for the three and nine months ended September 30, 2025, respectively, and $0.4 million and $0.9 million for the three and nine months ended September 30, 2024, respectively.

7. Commitments

License and Research Agreements

In October 2023, the Company entered into a license agreement (the "Ichnos License Agreement") with Ichnos Sciences SA and Ichnos Sciences Inc. (collectively, "Ichnos") pursuant to which Ichnos granted to the Company an exclusive (even as to Ichnos and its affiliates), worldwide, and sublicensable right and license to certain patent rights and related know-how to develop, manufacture, and commercialize Ichnos' proprietary OX40 portfolio. The OX40 portfolio includes Ichnos' proprietary OX40 antagonist monoclonal antibody, with the generic name telazorlimab as well as Ichnos' proprietary affinity matured next generation OX40 antagonist monoclonal antibody referred to by the Company as STAR-0310 (collectively, the "Licensed Compounds"). The Company agreed to use commercially reasonable efforts to develop, obtain regulatory approval for, and commercialize at least one product that contains or comprises a Licensed Compound (a "Licensed Product") in the United States, France, Germany, Italy, Spain, the United Kingdom and Japan.

Under the terms of the Ichnos License Agreement, the Company paid Ichnos a one-time upfront license fee of $15.0 million in October 2023. The Company is obligated to pay Ichnos up to $305.0 million in milestone payments, consisting of up to $20.0 million upon the achievement of certain development milestones, up to $70.0 million upon the achievement of certain regulatory milestones and up to $215.0 million upon the achievement of certain commercial milestones, in each case in up to three indications with respect to the first applicable Licensed Product to achieve such milestone events. The specified clinical milestones related to the Phase 1a clinical trial of STAR-0310 were met and the Company paid the related $2.0 million of milestone payments during the three months ended March 31, 2025. There were no other milestones met under the Ichnos License Agreement during the three and nine months ended September 30, 2025 and there were no milestones met under the Ichnos License Agreement during the nine months ended September 30, 2024. The Company is also obligated to pay Ichnos tiered royalties ranging from a mid-single-digit percentage to a low-double-digit percentage on aggregate annual net sales of all Licensed Products. The Company is obligated to pay royalties on a Licensed Product-by-Licensed Product and country-by-country basis until the latest of: (i) the expiration of the last valid claim covering the composition of matter of such Licensed Product in such country; (ii) the expiration of the last regulatory exclusivity with respect to such Licensed Product in such country; and (iii) twelve years following the first commercial sale of such Licensed Product in such country. The royalty rate is subject to reduction on a Licensed Product-by-Licensed Product and country-by-country basis under certain circumstances.

The Company is also party to a research services agreement covering navenibart under which the Company is obligated to pay up to $2.9 million upon the achievement of certain clinical milestones, up to $5.9 million upon the achievement of certain regulatory milestones and up to $7.0 million upon the achievement of certain commercial milestones. The specified clinical milestones related to the ALPHA-ORBIT Phase 3 clinical trial of navenibart were met during the three months ended March 31, 2025 and the Company paid the related $2.2 million of milestone payments in April 2025. There were no other milestones met under the research services agreement during the three and nine months ended September 30, 2025 or during the three and nine months ended September 30, 2024.

8. Revenue from Contracts with Customers

Kaken License Agreement

On August 6, 2025, the Company entered into the Kaken License Agreement with Kaken Pharmaceutical, Co., Ltd. ("Kaken"), pursuant to which the Company granted an exclusive license under certain patent rights and know-how controlled by the Company for Kaken to develop, package, and commercialize navenibart, a long-acting investigational monoclonal antibody inhibitor of plasma kallikrein (the "Navenibart Licensed Product"), for the prevention of HAE attacks in humans (the "Field"), in Japan.

Under the terms of the Kaken License Agreement, the Company will receive an upfront payment of $16.0 million, with a potential for an additional $16.0 million in total commercialization and sales milestones. In addition to these payments, on a Navenibart Licensed Product-by- Navenibart Licensed Product basis, the Company is eligible for tiered royalties, with the royalty rate as a percentage of net sales from the mid-teens to 30%. Kaken's royalty payment obligations commence on the first commercial sale of each Navenibart Licensed Product in Japan and continue until the latest of (i) the expiration of the last to expire valid claim of specified Company patents rights covering such Navenibart Licensed Product in Japan, (ii) the expiration of the last to expire regulatory exclusivity with respect to such Navenibart Licensed Product in Japan, and (iii) ten (10) years following the first commercial sale of such Navenibart Licensed Product in Japan (each such term with respect to a Navenibart Licensed Product, the "Royalty Term"). Pursuant to the terms of the Kaken License Agreement, Kaken will also provide support for the Company's ALPHA-ORBIT Phase 3 trial in Japan, be responsible for regulatory submissions in Japan, and reimburse the Company for a portion of the costs of the navenibart Phase 3 program. Kaken is obligated to use commercially reasonable efforts to obtain regulatory approval and reimbursement approval for, and commercialize, at least one Navenibart Licensed Product in the Field in Japan.

Unless earlier terminated, the Kaken License Agreement will expire on the expiration of the last-to-expire Royalty Term. The Kaken License Agreement may be terminated by either party for the other party's uncured material breach, insolvency or bankruptcy. Additionally, Kaken may terminate the Kaken License Agreement upon 30 days' notice for a material safety issue, or at its convenience with 90 days' notice.

The Company evaluated the Kaken License Agreement and concluded that the agreement is subject to ASC 606 as a contract with a customer and that any future potential revenue will be recorded in accordance with ASC 606. The Company identified two performance obligations in the Kaken License Agreement including performance of research and development services and delivery of the license.

The transaction price has been allocated to performance of research and development services and delivery of the license on a relative standalone selling price basis. The transaction price at inception was approximately $23.0 million including fixed consideration consisting of the upfront fee of $16.0 million and variable consideration of $7.0 million relating to the estimated reimbursement of research and development services to be incurred. The amount of variable consideration was estimated using the expected value method. The remaining variable consideration of $16.0 million in total commercialization and sales milestones and sales-based royalties were excluded from the transaction price and considered constrained at inception and will be recognized when the related sales occur. The Company re-evaluates the transaction price at the end of each reporting period and adjusts the estimate as changes in circumstances occur. As of September 30, 2025, the Company allocated $20.6 million of the transaction price to the research and development services and $2.4 million to delivery of the license.

Revenue allocated to the research and development services is recognized as the Company satisfies its performance obligations of conducting the Phase 3 trials of navenibart and development of a prefilled syringe and autoinjector device. Revenue allocated to research and development services is recognized using the input method based on costs incurred to provide the services as the level of costs incurred over-time. Revenue allocated to the license is recognized when control of the Navenibart Licensed Product is transferred to Kaken at a point in time upon delivery of results from the ALPHA-ORBIT Phase 3 trial.

Accounts receivable were $17.2 million as of September 30, 2025 and consist of a $16.0 million upfront payment and reimbursements due for a portion of the Phase 3 program costs by Kaken to the Company. There were no accounts receivable as of December 31, 2024.

During the three and nine months ended September 30, 2025, the Company recognized $0.7 million of collaboration revenue related to the Kaken License Agreement. There was no revenue recognized during the three and nine months ended September 30, 2024. As of September 30, 2025, the Company recorded $16.5 million of deferred revenue related to the upfront payment and cost sharing due from Kaken, of which $4.5 million is classified as current and $12.0 million is classified as long-term on the Company's consolidated balance sheets respectively.

9. Stockholders' Equity

Preferred Stock

Under the Company's restated certificate of incorporation, as amended, the Company has 5,000,000 shares of preferred stock authorized for issuance, with a $0.001 par value per share. Preferred stock may be issued from time to time in one or more series, each series to have such terms as stated or expressed in the resolutions providing for the issue of such series adopted by the board of directors of the Company. Preferred stock which may be redeemed, purchased or acquired by the Company may be reissued except as otherwise provided by law. As of September 30, 2025, the Company had 31,107 shares of Series X Preferred Stock outstanding. Each share of Series X Preferred Stock is convertible into 166.67 shares of common stock and therefore the number of shares of underlying common stock issuable upon conversion of the Series X Preferred Stock is 5,184,591.

Common Stock

As of September 30, 2025, the Company had 150,000,000 shares of common stock authorized for issuance, $0.001 par value per share, with 56,434,894 shares issued and outstanding. The voting, dividend and liquidation rights of holders of common stock are subject to and qualified by the rights, powers and preferences of the holders of any outstanding preferred stock.

Outstanding Warrants

The following table presents information about warrants that were issued and outstanding at September 30, 2025:

Year Issued	Equity Instrument	Warrants Outstanding	Exercise Price	Date of Expiration
2023 (1)	Common Stock	6,796,280	$ 8.03	10/16/2028
Total		6,796,280		
Weighted average exercise price			$ 8.03	
Weighted average life in years				3.05

(1)1,571,093 pre-funded warrants were issued in 2023 with an exercise price of $0.001 per share and are exercisable until all pre-funded warrants are exercised in full. 1,571,093 pre-funded warrants were outstanding as of September 30, 2025 and are not included in the table above.

10. Reserved for Future Issuance

The Company has reserved for future issuance the following shares of common stock:

	September 30, 2025	December 31, 2024
Options outstanding to purchase common stock	11,531,468	6,850,889
Reserved under the 2015 Second Amended and Restated Stock Incentive Plan and the 2022 Inducement Stock Incentive Plan	9,664,421	8,849,170
Warrants for the purchase of common stock	8,367,373	8,367,373
Series X Preferred Stock	5,184,591	5,184,591
Reserved under the employee stock purchase plan	55,216	49,139
Total	34,803,069	29,301,162

11. Stock-Based Compensation

Stock Option Activity

A summary of the Company's stock option activity and related information follows:

	Shares	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2024	6,850,889	$ 13.75	8.31	$ 2,946
Granted	4,915,310	$ 6.51		
Exercised	(675)	$ 4.76		
Cancelled or forfeited	(230,561)	$ 9.42		
Expired	(3,495)	$ 805.71		
Outstanding at September 30, 2025	11,531,468	$ 10.51	8.36	$ 5,246
Vested and exercisable at September 30, 2025	3,929,590	$ 13.58	7.06	$ 1,136
Vested and expected to vest at September 30, 2025	11,531,468	$ 10.51	8.36	$ 5,246

The intrinsic value of stock options exercised during the three and nine months ended September 30, 2025 was less than $0.1 million. The intrinsic value of stock options exercised during the three and nine months ended September 30, 2024 was less than $0.1 million and $0.2 million, respectively. The total grant date fair value of stock options vested for the three and nine months ended September 30, 2025 was $3.0 million and $15.2 million, respectively. The total grant date fair value of stock options vested for the three and nine months ended September 30, 2024 was $1.6 million and $7.2 million, respectively. The weighted-average grant date fair value per share of options granted for the three and nine months ended September 30, 2025 was $4.38 and $4.54, respectively. The weighted-average grant date fair value per share of options granted for the three and nine months ended September 30, 2024 was $7.32 and $9.66, respectively.

As of September 30, 2025, the total unrecognized compensation expense related to unvested stock option awards was $41.6 million. The Company expects to recognize that cost over a weighted-average period of approximately 2.7 years.

Stock-Based Compensation Expense

During the three and nine months ended September 30, 2025 and 2024, the Company recorded stock-based compensation expense for employee and non-employee stock options and restricted stock, which was allocated as follows in the statements of operations (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
General and administrative	$ 2,698	$ 2,382	$ 7,964	$ 6,963
Research and development	1,610	1,052	4,534	2,676
Total	$ 4,308	$ 3,434	$ 12,498	$ 9,639

No related tax benefits were recognized during the three and nine months ended September 30, 2025 and 2024.

12. Segment Reporting

The Company operates and manages its business as one reportable segment and one operating segment focused on the discovery, development and commercialization of novel therapeutics for allergic and immunologic diseases. The CODM assesses performance for the segment and decides how to allocate resources based on consolidated net loss, which is also reported on the condensed consolidated statements of operations and condensed consolidated statements of comprehensive loss.

The measure of segment assets reviewed by the CODM is consolidated total assets, which is reported on the condensed consolidated balance sheets. All material long-lived assets are located in the United States. Long-lived assets consist of property and equipment, net, and operating lease right-of-use assets.

The CODM uses consolidated net loss to evaluate the Company's spend and to monitor budget versus actual results. The monitoring of budgeted versus actual results is used in assessing performance of the segment and in establishing resource allocation across the organization.

Factors used in determining the reportable segment include the nature of the Company's operating activities, the organizational and reporting structure and the type of information reviewed by the CODM to allocate resources and evaluate financial performance. The accounting policies of the segment are the same as those described in Note 2, "Summary of Significant Accounting Policies".

The following table presents reportable segment profit and loss, including significant expense categories, attributable to the Company's reportable segment for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue[1]:				
Collaboration revenue	$ 706	$ -	$ 706	$ -
Expenses[1]:				
Research and development:				
Navenibart	$ 13,438	$ 8,797	$ 36,349	$ 23,868
STAR-0310	2,377	3,539	15,551	12,224
Employee expenses	5,393	3,689	14,690	10,321
General and administrative:				
Program support[2]	305	333	649	538
Employee expenses	3,646	2,877	10,500	8,476
Stock-based compensation expense	4,308	3,434	12,498	9,639
Consulting and professional services expenses	3,961	4,847	12,239	12,675
Other segment expenses[3]	1,382	1,498	5,149	4,226
Other income, net[4]	(2,461)	(4,480)	(8,515)	(13,333)
Segment net loss	$ 31,643	$ 24,534	$ 98,404	$ 68,634

(1)The significant revenue and expense categories and amounts align with segment level information that is regularly provided to the CODM.

(2)General and administrative program support expense includes pre-commercial costs incurred in support of navenibart and STAR-0310, and patient advocacy costs incurred in support of navenibart and STAR-0310.

(3)Other segment expenses include: costs incurred in support of overall research and development activities and non-specific programs, facilities expense, office expense, insurance expense and depreciation and amortization.

(4)Other income, net, consists primarily of interest income on investments, as further described in Note 4, “Short-Term Investments”. For the three and nine months ended September 30, 2025, the Company recognized interest income of $2.5 million and $8.7 million, respectively. For the three and nine months ended September 30, 2024, the Company recognized interest income of $4.5 million and $13.4 million, respectively.

13. Subsequent Events

Proposed Acquisition by BioCryst

On October 14, 2025, the Company entered into the Merger Agreement with BioCryst and Merger Sub. Pursuant to the Merger Agreement, and subject to the satisfaction or waiver of the conditions specified therein, at the Effective Time (as defined below), Merger Sub will merge with and into the Company, with the Company surviving the Merger as a wholly owned subsidiary of BioCryst (the "Merger").

Merger Consideration

Subject to the terms and conditions of the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each share of Company common stock issued and outstanding immediately prior to the Effective Time (subject to certain exceptions, including shares of the Company's common stock owned by stockholders of the Company who have not voted in favor of the adoption of the Merger Agreement and have properly exercised appraisal rights in accordance with Section 262 of the General Corporation Law of the State of Delaware) will be converted into the right to receive (i) 0.59 (the "Exchange Ratio") of a share of common stock, par value $0.01 per share, of BioCryst ("BioCryst Common Stock") and, if applicable, cash in lieu of fractional shares, and (ii) $8.55 in cash, without interest (the "Per Share Cash Amount"), subject to adjustment as described below and subject to applicable withholding taxes (the consideration described in the foregoing clauses (i) and (ii), collectively, the "Merger Consideration").

Pursuant to the Merger Agreement, at the Effective Time, each share of Series X Convertible Preferred Stock, par value $0.001 per share, of the Company (the "Series X Preferred Shares") that is issued and outstanding as of immediately prior to the Effective Time will be converted into the right to receive the Merger Consideration payable in accordance with the Merger Agreement with respect to the aggregate number of shares of the Company's common stock for which such Series X Preferred Share was convertible into immediately prior to the Effective Time pursuant to the certificate of designation of the Series X Preferred Shares, without interest and subject to applicable withholding taxes, and without regard to any limitations on exercise contained in such certificate of designation.

If the aggregate number of shares of BioCryst Common Stock to be issued in connection with the Merger (including with respect to Astria Pre-Funded Warrants and Astria Common Warrants (other than Elected Warrants), each as defined below) would exceed 19.9% of the shares of BioCryst Common Stock issued and outstanding immediately prior to the Effective Time (the "Maximum Share Number"), (a) the Exchange Ratio will be reduced to the minimum extent necessary such that the aggregate number of shares of BioCryst Common Stock to be issued in connection with the Merger does not exceed the Maximum Share Number and (b) the Per Share Cash Amount will be correspondingly increased to offset such adjustment.

If the Merger is consummated, the Company's common stock will be delisted from Nasdaq Global Market ("Nasdaq") and deregistered under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Astria Stock Options

Pursuant to the Merger Agreement, at the Effective Time, each option to purchase shares of the Company's common stock ("Astria Stock Option") that is outstanding immediately prior to the Effective Time and which has an exercise price that is less than $13.00 per share of common stock underlying such Astria Stock Option, whether or not then exercisable or vested, will (i) become fully vested and exercisable and (ii) be canceled and, in exchange therefor, the holder thereof will be entitled to receive a payment in cash, subject to applicable withholding taxes, of an amount equal to the product of (a) the total number of shares of common stock subject to such canceled Astria Stock Option immediately prior to the Effective Time and (b) the excess of (A) $13.00 over (B) the exercise price per share of common stock subject to such canceled Astria Stock Option, without interest.

Pursuant to the Merger Agreement, at the Effective Time, each Astria Stock Option that is outstanding immediately prior to the Effective Time and which has an exercise price that is equal to or greater than $13.00 per share of common stock underlying such Astria Stock Option will be canceled for no consideration.

Astria Warrants

Pursuant to the Merger Agreement, at the Effective Time:

- each of the pre-funded warrants to purchase shares of common stock (the "Astria Pre-Funded Warrants") that is outstanding immediately prior to the Effective Time will, in accordance with its own terms, cease to be exercisable for the Company's common stock and will be automatically converted into the right to receive the Merger Consideration with respect to the aggregate number of shares of Astria Common Stock for which such Astria Pre-Funded Warrant was exercisable immediately prior to the Effective Time, taking into account the "cashless exercise" terms that govern such Astria Pre-Funded Warrant, without interest and subject to applicable withholding taxes, and without regard to any limitations on exercise contained therein; and

- each of the remaining warrants to purchase shares of common stock (the "Astria Common Warrants") that is issued and outstanding as of immediately prior to the Effective Time will continue to be outstanding according to its terms, except that (i) such Astria Common Warrant will cease to be exercisable for Astria Common Stock and will become exercisable solely in exchange for the Merger Consideration with respect to the aggregate number of shares of Astria Common Stock for which such Astria Common Warrant was exercisable for immediately prior to the Effective Time (including after taking into account any "cashless exercise" terms that govern such Astria Common Warrant if so elected by the holder thereof), without interest and subject to applicable withholding taxes, and without regard to any limitations on exercise contained therein, and (ii) the holder of such Astria Common Warrant may require the purchase of such Astria Common Warrants for an amount in cash equal to the Black Scholes Value (as defined in such Astria Common Warrant) of such Astria Common Warrants pursuant to Section 3(d) of the applicable Astria Common Warrant, in lieu of receiving any Merger Consideration. Any Astria Common Warrants with respect to which the holder thereof makes the election described in the foregoing clause (ii) prior to the third trading day prior to the Effective Time (an "Elected Warrant") will not be counted towards the Maximum Share Number above.

Certain Other Terms of the Merger Agreement

The Merger Agreement contains customary representations and warranties from both the Company and BioCryst, and each party has agreed to customary covenants, including, among others, covenants relating to (i) the conduct of the Company's business during the period between the execution of the Merger Agreement and the Effective Time, (ii) the obligation of the Company to call a meeting of its stockholders for purposes of voting to adopt the Merger Agreement, (iii) subject to certain exceptions, the obligation of the Company's board of directors to recommend that its stockholders adopt the Merger Agreement and approve the transactions contemplated thereby, and (iv) subject to certain exceptions, non-solicitation obligations of the Company relating to alternative acquisition proposals or entering into discussions or negotiations or providing confidential information in connection with certain proposals for an alternative transaction.

Closing Conditions

Completion of the Merger is subject to certain closing conditions, including (i) the adoption of the Merger Agreement by the holders of a majority of the outstanding shares of the Company's common stock (the "Required Stockholder Approval"), (ii) the expiration or early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (iii) the absence of any order, injunction or law prohibiting the Merger, (iv) the effectiveness of the registration statement of BioCryst pursuant to which shares of BioCryst Common Stock to be issued in the Merger will be registered with the U.S. Securities and Exchange Commission (the "SEC"), (v) the shares of BioCryst Common Stock to be issued in the Merger being approved for listing on Nasdaq, (vi) the accuracy of each party's representations and warranties made in the Merger Agreement, subject to certain standards and qualifications set forth in the Merger Agreement, (vii) each party's compliance in all material respects with its respective obligations under the Merger Agreement, and (viii) the absence of a continuing material adverse effect with respect to each of the Company and BioCryst. The parties anticipate the Merger to close in the first quarter of 2026.

Termination

The Merger Agreement may be terminated under certain circumstances, including, among others, (i) by either the Company or BioCryst if the Merger is not completed by April 14, 2026, subject to adjustment until May 31, 2026 for a government shutdown, which date may be extended to October 14, 2026 under certain circumstances, (ii) by either the Company or BioCryst if there is a final non-appealable order, injunction or law prohibiting the consummation of the Merger or the other transactions contemplated by the Merger Agreement, (iii) by either the Company or BioCryst if the Required Stockholder Approval is not obtained, (iv) by BioCryst if the Company's board of directors changes its recommendation to the Company's stockholders to vote in favor of the adoption of the Merger Agreement, (v) by the Company in order to enter into a superior proposal, or (vi) by the Company or BioCryst if the other party breaches its respective representations, warranties, covenants or agreements in the Merger Agreement in a manner that would not permit certain closing conditions to be satisfied, subject in certain cases, to the right of the breaching party to cure the breach. The Company and BioCryst may also terminate the Merger Agreement by mutual written consent.

Upon termination of the Merger Agreement under specified circumstances (including, among others, termination of the Merger Agreement by the Company to accept and enter into a definitive agreement with respect to a superior proposal or by BioCryst upon the change by the Company's board of directors of the recommendation in favor of the adoption of the Merger Agreement), the Company will be required to pay BioCryst a termination fee in the amount of $32,250,000.

Exercise of Pre-funded Warrants

On October 16, 2025 the Company issued 649,944 shares of common stock pursuant to a cashless exercise of 650,000 pre-funded warrants.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Astria Therapeutics, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Astria Therapeutics, Inc. (the Company) as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Navenibart Accrued and Prepaid Research and Development Costs

Description of the Matter

The Company's accrued contracted costs for research and development expenses totaled $6.2 million at December 31, 2024, including accruals related to the Company's Navenibart (STAR-0215) clinical trials. In addition, the Company's prepaid expenses and other current assets were $6.5 million and the Company's other non-current assets were $2.6 million, which included amounts that were paid in advance of services incurred pursuant to the Navenibart clinical trials. As discussed in Note 2 to the consolidated financial statements, the Company analyzes the progress of the clinical trials, including the phase or completion of events, invoices received and contracted costs. Significant judgments and estimates are made in determining the prepaid and accrued balances at the end of any reporting period for the Company's Navenibart clinical trials. The Company is required to estimate such prepaids and accruals using judgment based on certain information, including actual costs incurred or level of effort expended, as provided by its vendors. Payments for such activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected on the consolidated balance sheet within prepaid and other current assets or accrued expenses.

Auditing the Company's accrued and prepaid research and development costs for the Company's Navenibart clinical trials was complex, as accounting for the costs associated with the clinical trials requires subjective estimates of the level of services performed and the associated costs incurred by service providers. Furthermore, due to the duration of the Company's Navenibart clinical trials, and the timing of information received from third parties, the actual amounts incurred are not typically known at the time the consolidated financial statements are issued.

How We Addressed the Matter in Our Audit

To evaluate the accrued and prepaid research and development costs for the Navenibart clinical trials, our audit procedures included, among others, testing the accuracy and completeness of the underlying data used in the estimates and evaluating the significant judgments and estimates made by management to determine the recorded accruals and prepayments. To test the significant judgments and estimates, we corroborated the progress of research and development activities through discussion with the Company's research and development personnel that oversee the research and development projects and inspected the Company's contracts with third parties and any pending change orders to assess the impact on amounts recorded. In addition, we inspected information obtained by the Company from third party vendors, which included the vendors' estimate of costs incurred to date. We obtained vendors direct confirmations to confirm cost incurred as of year-end to verify that accruals are complete and accurate. We also analyzed fluctuations in accruals by vendor and by program throughout the period subject to audit and tested subsequent invoices received from third party vendors.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2010.

Boston, Massachusetts

March 11, 2025

Astria Therapeutics, Inc.
Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 59,820	$ 175,530
Short-term investments	268,312	71,000
Prepaid expenses and other current assets	6,511	4,412
Total current assets	334,643	250,942
Right-of-use asset	5,114	363
Other assets	2,606	3,361
Total assets	$ 342,363	$ 254,666
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 4,320	$ 1,513
Accrued expenses	13,427	9,708
Current portion of operating lease liabilities	1,384	329
Total current liabilities	19,131	11,550
Long-term portion of operating lease liabilities	3,969	-
Total liabilities	23,100	11,550
Commitments (Note 6)		
Stockholders' equity:		
Preferred stock, $0.001 par value per share, 4,908,620 shares authorized and no shares issued or outstanding	-	-
Series X redeemable convertible preferred stock, $0.001 par value per share, 91,380 shares authorized; 31,107 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	95,324	95,324
Common stock, $0.001 par value per share, 150,000,000 shares authorized; 56,434,219 and 41,034,797 shares issued and outstanding at December 31, 2024 and December 31, 2023, respectively	57	41
Additional paid-in capital	898,513	728,285
Accumulated other comprehensive gain	163	-
Accumulated deficit	(674,794)	(580,534)
Total stockholders' equity	319,263	243,116
Total liabilities and stockholders' equity	$ 342,363	$ 254,666

The accompanying notes are an integral part of these consolidated financial statements.

Astria Therapeutics, Inc.
Consolidated Statements of Operations
(in thousands, except share and per share data)

	Year Ended December 31,	
	2024	**2023**
Operating expenses:		
Research and development	$ 77,106	$ 42,127
General and administrative	34,452	25,704
Acquired in-process research and development	-	15,199
Total operating expenses	111,558	83,030
Loss from operations	(111,558)	(83,030)
Other income (expense):		
Interest and investment income	17,360	10,201
Other expense, net	(62)	(62)
Total other income, net	17,298	10,139
Net loss	(94,260)	(72,891)
Net loss per share attributable to common shareholders - basic and diluted	$ (1.68)	$ (2.42)
Weighted-average common shares outstanding used in net loss per share - basic and diluted	56,161,249	30,123,316

The accompanying notes are an integral part of these consolidated financial statements.

Astria Therapeutics, Inc.
Consolidated Statements of Comprehensive Loss
(in thousands)

	Year Ended December 31,	
	2024	**2023**
Net loss	$ (94,260)	$ (72,891)
Other comprehensive gain:		
Unrealized gain on short-term investments, net of tax of $0	163	79
Total other comprehensive gain:	163	79
Comprehensive loss	$ (94,097)	$ (72,812)

The accompanying notes are an integral part of these consolidated financial statements.

Astria Therapeutics, Inc.
Consolidated Statements of Stockholders' Equity
(in thousands, except share data)

	Series X redeemable convertible preferred stock, shares	Series X redeemable convertible preferred stock, value	Common stock, shares	Common stock, par value	Additional paid - in capital	Accumulated deficit	Accumulated other comprehensive loss	Total stockholders' equity
Balance at December 31, 2022	31,455	$ 96,398	27,501,340	$ 28	$ 632,512	$ (507,643)	$ (79)	$ 221,216
Issuance of common stock upon the conversion of preferred stock	(348)	(1,074)	57,910	-	1,074	-	-	-
Issuance of common stock and warrants pursuant to an underwriting agreement, net of underwriter's discount and issuance costs	-	-	8,253,895	8	59,472	-	-	59,480
Issuance of common stock for at-the-market offerings, net of issuance costs	-	-	4,738,606	5	28,493	-	-	28,498
Issuance of common stock upon exercise of options and warrants	-	-	483,046	-	420	-	-	420
Stock-based compensation expense	-	-	-	-	6,314	-	-	6,314
Unrealized gain on short-term investments	-	-	-	-	-	-	79	79
Net loss	-	-	-	-	-	(72,891)	-	(72,891)
Balance at December 31, 2023	31,107	95,324	41,034,797	41	728,285	(580,534)	-	243,116
Issuance of common stock pursuant to an underwriting agreement, net of underwriter's discount and issuance costs	-	-	10,340,000	10	117,162	-	-	117,172
Issuance of common stock for at-the-market offerings, net of issuance costs	-	-	4,450,425	5	35,240	-	-	35,245
Issuance of common stock upon exercise of options and warrants	-	-	608,997	1	4,784	-	-	4,785
Stock-based compensation expense	-	-	-	-	13,042	-	-	13,042
Unrealized gain on short-term investments	-	-	-	-	-	-	163	163
Net loss	-	-	-	-	-	(94,260)	-	(94,260)
Balance at December 31, 2024	31,107	$ 95,324	56,434,219	$ 57	$ 898,513	$ (674,794)	$ 163	$ 319,263

The accompanying notes are an integral part of these consolidated financial statements.

Astria Therapeutics, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,	
	2024	**2023**
Operating activities		
Net loss	$ (94,260)	$ (72,891)
Reconciliation of net loss to net cash used in operating activities:		
Stock-based compensation expense	13,042	6,314
Right-of-use asset- operating lease	1,004	585
Accretion of discount/premium on investment securities	(5,611)	(86)
Other non-cash items	70	46
Changes in assets and liabilities:		
Prepaid expenses and other assets	(1,252)	(4,546)
Lease liability - operating lease	(731)	(610)
Accounts payable	2,807	725
Accrued expenses	3,719	2,018
Net cash used in operating activities	(81,212)	(68,445)
Investing activities		
Purchases of short-term investments	(4,244,538)	(1,924,423)
Sales and maturities of short-term investments	4,053,000	2,059,500
Purchases of property and equipment	(325)	(25)
Net cash (used in) provided by investing activities	(191,863)	135,052
Financing activities		
Proceeds from public offering, net of underwriting discounts and issuance costs	117,172	59,480
Proceeds from at-the-market offering, net of issuance costs	35,245	28,498
Proceeds from exercise of stock options and warrants	4,785	420
Net cash provided by financing activities	157,202	88,398
Net (decrease) increase in cash, cash equivalents and restricted cash	(115,873)	155,005
Cash, cash equivalents and restricted cash, beginning of period	175,693	20,688
Cash, cash equivalents and restricted cash, end of period	$ 59,820	$ 175,693
Supplemental disclosure of non-cash transactions:		
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	$ 5,753	$ -
Conversion of Series X Preferred Stock into common stock	$ -	$ 1,074
Purchases of property and equipment in accounts payable and accrued liabilities	$ -	$ 17
Public offering issuance costs in accrued expenses	$ -	$ 120

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Business

The Company

Astria Therapeutics, Inc. (the "Company"), is a biopharmaceutical company focused on the discovery, development and commercialization of novel therapeutics for allergic and immunological diseases. The Company's lead product candidate is navenibart, formerly known as STAR-0215, a potential best-in-class monoclonal antibody inhibitor of plasma kallikrein in clinical development for the treatment of hereditary angioedema ("HAE"), a rare, debilitating and potentially life-threatening disease. The Company's second product candidate is STAR-0310, a monoclonal antibody OX40 antagonist that is in preclinical development for the treatment of atopic dermatitis ("AD"), an immune disorder associated with loss of skin barrier function and itching. The Company was incorporated in the State of Delaware on June 26, 2008.

License Agreement

On October 4, 2023, the Company entered into a license agreement (the "Ichnos License Agreement") with Ichnos Sciences SA and Ichnos Sciences Inc. (collectively, "Ichnos") pursuant to which Ichnos granted to the Company an exclusive (even as to Ichnos and its affiliates), worldwide, and sublicensable right and license to certain patent rights and related know-how (collectively, the "Licensed Intellectual Property"), to develop, manufacture, and commercialize Ichnos' proprietary OX40 portfolio. The OX40 portfolio includes Ichnos' proprietary OX40 antagonist monoclonal antibody, with the generic name telazorlimab and also referred to by Ichnos as "ISB 830" as well as Ichnos' proprietary affinity matured next generation OX40 antagonist monoclonal antibody referred to by Ichnos as "ISB 830-X8" and referred to by the Company as "STAR-0310 candidate" (collectively, the "Licensed Compounds"). The Company agreed to use commercially reasonable efforts to develop, obtain regulatory approval for, and commercialize at least one product that contains or comprises a Licensed Compound (a "Licensed Product") in the United States, France, Germany, Italy, Spain, the United Kingdom and Japan.

Under the terms of the Ichnos License Agreement, the Company paid Ichnos a one-time upfront license fee of $15.0 million in October 2023. The Company is obligated to pay Ichnos up to $305.0 million in milestones, consisting of up to $20.0 million upon the achievement of certain development milestones, up to $70.0 million upon the achievement of certain regulatory milestones and up to $215.0 million upon the achievement of certain commercial milestones, in each case in up to three indications with respect to the first applicable Licensed Product to achieve such milestone events. The Company is also obligated to pay Ichnos tiered royalties ranging from a mid-single-digit percentage to a low-double-digit percentage on aggregate annual net sales of all Licensed Products. The Company is obligated to pay royalties on a Licensed Product-by-Licensed Product and country-by-country basis until the latest of: (i) the expiration of the last valid claim covering the composition of matter of such Licensed Product in such country; (ii) the expiration of the last regulatory exclusivity with respect to such Licensed Product in such country; and (iii) twelve years following the first commercial sale of such Licensed Product in such country. The royalty rate is subject to reduction on a Licensed Product-by-Licensed Product and country-by-country basis under certain circumstances.

Liquidity

On October 16, 2023, the Company closed an underwritten offering (the "October 2023 Financing") of (i) 8,253,895 shares of common stock and accompanying common stock warrants to purchase an aggregate of 6,190,418 shares of common stock and (ii), in lieu of common stock to certain investors, pre-funded warrants to purchase up to an aggregate of 1,571,093 shares of common stock and accompanying common stock warrants to purchase up to an aggregate of 1,178,320 shares of common stock for aggregate gross proceeds of $64.0 million and net proceeds of $59.5 million. The October 2023 Financing included 2,727,340 shares of common stock, 3,223,824 common stock warrants and 1,571,093 pre-funded warrants issued to related parties.

On February 1, 2024, the Company closed an underwritten offering of 10,340,000 shares of its common stock (the "February 2024 Financing"). The gross proceeds of the February 2024 Financing were $125.0 million and net proceeds were $117.2 million.

In June 2021, the Company entered into an Open Market Sale Agreement℠ with Jefferies LLC ("Jefferies"), pursuant to which the Company could issue and sell shares of common stock under an at-the-market offering program (the "2021 ATM Program"), which was completed in the first quarter of 2024. In March 2024, the Company entered into a new Open Market Sale Agreement℠ with Jefferies, pursuant to which the Company is able to issue and sell up to $150.0 million of shares of common stock under an at-the-market offering program (the "2024 ATM Program" and collectively with the 2021 ATM Program, the "ATM Programs"). The Company pays Jefferies commissions of up to 3% of the gross proceeds from any common stock sold through the ATM Programs. During the year ended December 31, 2024, the Company sold an aggregate of 4,450,425 shares of common stock under the ATM Programs for gross proceeds of $36.2 million and net proceeds of $35.2 million.

During the year ended December 31, 2023, the Company sold an aggregate of 4,738,606 shares of common stock under the 2021 ATM Program for gross proceeds of $29.4 million and net proceeds of $28.5 million. As of December 31, 2024, the Company had an accumulated deficit of $674.8 million and had available cash, cash equivalents and short-term investments $328.1 million. The Company estimates its existing cash, cash equivalents, and short-term investments are sufficient to sustain operations for at least twelve months from the issuance of these consolidated financial statements.

The Company has not generated any product revenues and has financed its operations primarily through public offerings and private placements of its equity securities. There can be no assurance that the Company will be able to obtain additional debt, equity or other financing or generate product revenue or revenues from collaborative partners, on terms acceptable to the Company, on a timely basis or at all. The failure of the Company to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on the Company's business, results of operations, and financial condition. The Company is subject to a number of risks similar to other life science companies, including, but not limited to, successful discovery and development of its drug candidates, raising additional capital, development by its competitors of new technological innovations, protection of proprietary technology and regulatory approval and market acceptance of the Company's products. The Company has been primarily involved with research and development activities and has incurred operating losses and negative cash flows from operations since its inception. The Company anticipates that it will continue to incur significant operating losses for the next several years as it continues to develop its product candidates.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Astria Securities Corporation and Quellis Biosciences, LLC, successor in interest to Quellis Biosciences, Inc. All intercompany balances and transactions have been eliminated in consolidation. These consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") and include all adjustments necessary for the fair presentation of the Company's financial position for the periods presented.

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from such estimates.

The Company utilizes certain estimates to record expenses relating to research and development contracts and the valuation of stock-based awards and warrants. These contract estimates, which are primarily related to the length of service of each contract and the amount of service provided as of each measurement date, are determined by the Company based on input from internal project management, as well as from service providers.

Off-Balance Sheet Risk

The Company has no off-balance sheet risk, such as foreign exchange contracts, option contracts or other foreign hedging arrangements.

Concentrations of Credit Risk and Significant Suppliers

Financial instruments that subject the Company to credit risk primarily consist of cash, cash equivalents, short-term investments and restricted cash. The primary objectives for the Company's investment portfolio are the preservation of capital and the maintenance of liquidity. The Company's investment policy includes guidelines on the quality of the institutions and financial instruments and defines allowable investments that the Company believes minimizes the exposure to concentration of credit risk.

The Company is dependent on third-party manufacturers and contract research organizations to supply products for research and development activities in its programs and to conduct clinical trials. In particular, the Company relies and expects to continue to rely on a small number of manufacturers to supply it with its requirements for the active pharmaceutical ingredients, other raw materials, formulated drugs and drug-device combinations related to these programs in addition to reliance on the conduct of the clinical trial to be performed. These programs could be adversely affected by a significant interruption in the supply of active pharmaceutical ingredients, other raw materials and formulated drugs or an interruption in the provision of services provided by the Company's contract research organizations.

Cash and Cash Equivalents and Restricted Cash

The reconciliation of cash, cash equivalents and restricted cash reported within the applicable balance sheet that sum to the total of the same such amount shown in the statement of cash flows is as follows (in thousands):

	December 31,	
	2024	**2023**
Cash and cash equivalents	$ 59,820	$ 175,530
Restricted cash	-	163
Total	$ 59,820	$ 175,693

Short-Term Investments

The Company classifies all corporate debt securities with a remaining maturity of greater than three months and reverse repurchase agreements with a remaining maturity of greater than one business day at the time of purchase as short-term investments. Short-term investments are recorded at fair value, with the unrealized gains and losses reported in other comprehensive loss. The amortized cost of debt securities is adjusted for the amortization of premiums and accretion of discounts to maturity. Such amortization is included in interest and investment income. Realized gains and losses, interest, dividends and declines in value judged to be other-than-temporary are included in interest and investment income.

At each reporting date, the Company performs an evaluation of impairment to determine if any unrealized losses are the result of credit losses. Impairment is assessed at the individual security level. Factors considered in determining whether a loss resulted from a credit loss or other factors include the Company's intent and ability to hold the investment until the recovery of its amortized cost basis, the extent to which the fair value is less than the amortized cost basis, the length of time and extent to which fair value has been less than the cost basis, the financial condition of the issuer, any historical failure of the issuer to make scheduled interest or principal payments, any changes to the rating of the security by a rating agency, any adverse legal or regulatory events affecting the issuer or issuer's industry, and any significant deterioration in economic conditions.

The cost of securities sold is based on the specific identification method for purposes of recording realized gains and losses. To determine whether an other-than-temporary impairment exists, the Company considers whether it has the ability and intent to hold the investment until a market price recovery, and whether evidence indicating the recoverability of the cost of the investment outweighs evidence to the contrary.

Fair Value of Financial Instruments

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The carrying amounts reflected in the balance sheets for cash equivalents, restricted cash, prepaid expenses and other current assets, accounts payable and accrued expenses approximate their fair values at December 31, 2024 and 2023, due to their short-term nature. There have been no changes to the valuation methods during the years ended December 31, 2024 and 2023. The Company evaluates transfers between levels at the end of each reporting period. There were no transfers of assets or liabilities between levels during the years ended December 31, 2024 and 2023.

The Company's investment portfolio may include fixed income securities that do not always trade on a daily basis. As a result, the pricing services used by the Company apply other available information as applicable through processes such as benchmark yields, benchmarking of like securities, sector groupings and matrix pricing to prepare valuations. The Company validates the prices provided by its third-party pricing services by obtaining market values from other pricing sources and analyzing pricing data in certain instances. The Company also invests in certain reverse repurchase agreements which are collateralized by deposits in the form of United States Government Securities and Obligations for an amount no less than 102% of their value. The Company does not record an asset or liability for the collateral as the Company is not permitted to sell or re-pledge the collateral. The collateral has at least the prevailing credit rating of United States Government Treasuries and Agencies. The Company utilizes a third-party custodian to manage the exchange of funds and ensure that collateral received is maintained at 102% of the value of the reverse repurchase agreements on a daily basis.

Impairment of Long-Lived Assets

The Company continually evaluates whether events or circumstances have occurred that indicate that the estimated remaining useful life of its long-lived assets may warrant revision or that the carrying value of these assets may be impaired. The Company has not recognized any significant impairment charges from inception through December 31, 2024.

Accrued and Prepaid Research and Development Costs

Research and development costs are expensed as incurred. Research and development costs include salaries and personnel-related costs, stock-based compensation, consulting fees, fees paid for contract research services, the costs of laboratory equipment and facilities and other external costs. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are deferred. The deferred amounts are expensed as the related goods are delivered or the services are performed.

The Company records accruals for estimated ongoing research and development costs. When evaluating the adequacy of the accrued liabilities, the Company analyzes progress of the clinical trials, including the phase or completion of events, invoices received and contracted costs. Significant judgments and estimates are made in determining the accrued balances and prepaid balances at the end of any reporting period. Actual results could differ from the Company's estimates. The Company's historical accrual estimates have not been materially different from the actual costs.

Stock-Based Compensation

The Company accounts for its stock-based compensation awards in accordance with ASC Topic 718, *Compensation—Stock Compensation (*"ASC 718"). ASC 718 requires all share-based payments to employees, including grants of employee stock options, to be recognized in the statements of operations based on their grant date fair values. For granted stock options, the Company estimates the grant date fair value of each option award using the Black-Scholes option-pricing model. The use of the Black-Scholes option-pricing model requires management to make assumptions with respect to the expected term of the option, the expected volatility of the Company's common stock consistent with the expected term of the option, risk-free interest rates and expected dividend yields of the Company's common stock.

For awards subject to service-based vesting conditions, the Company recognizes stock-based compensation expense equal to the grant date fair value of stock options on a straight-line basis over the requisite service period.

The Company expenses restricted stock awards based on the fair value of the award on a straight-line basis over the associated service period of the award.

Due to the lack of company-specific historical and implied volatility data of its common stock, the Company does not have sufficient relevant historical data to support its expected volatility. As such, the Company has used a weighted average of expected volatility based on a combination of the Company's own historical volatility and volatilities of a representative group of publicly traded biopharmaceutical companies. For purposes of identifying representative companies, the Company considered characteristics such as number of product candidates in early stages of product development, area of therapeutic focus, and length of trading history. The expected volatility was determined using the weighted average of the Company's own historical volatility and an average of the historical volatilities of the representative group of companies for a period equal to the expected term of the option grant. The Company intends to continue to consistently apply this process using the same representative companies until sufficient historical information regarding the volatility of the Company's own share price becomes available or until circumstances change, such that the identified entities are no longer representative companies. In the latter case, more suitable, similar entities whose share prices are publicly available would be utilized in the calculation.

The Company uses the "simplified method" to estimate the expected term of stock option grants. Under this approach, the weighted-average expected life is presumed to be the average of the contractual term (ten years) and the vesting term (generally four years) of the Company's stock options, taking into consideration multiple vesting tranches. The Company utilizes this method due to lack of historical exercise data and the plain-vanilla nature of the Company's share-based awards.

The risk-free rate was based on the yield curve of United States Treasury securities with periods commensurate with the expected term of the options being valued.

Net Loss Per Share

Basic net loss per share attributable to common stockholders is calculated by dividing net loss attributable to common stockholders by the weighted average shares outstanding during the period, without consideration for common stock equivalents. The Company has included pre-funded warrants to purchase 1,571,093 shares of common stock at an exercise price of $0.001 in its computation of basic net loss per share. Diluted net loss per share attributable to common stockholders is calculated by adjusting weighted average shares outstanding for the dilutive effect of common stock equivalents outstanding for the period, determined using the treasury-stock method. For purposes of the Company's dilutive net loss per share attributable to common stockholders calculation, stock options and warrants to purchase the Company's common stock were considered to be common stock equivalents but were excluded from the calculation of diluted net loss per share attributable to common stockholders, as their effect would be anti-dilutive; therefore, basic and diluted net loss per share attributable to common stockholders were the same for all periods presented.

The following common stock equivalents were excluded from the calculation of diluted net loss per share for the periods indicated because including them would have had an anti-dilutive effect:

	Year Ended December 31,	
	2024	**2023**
Stock options	6,850,889	3,553,969
Common stock warrants	6,796,280	7,700,596
Series X Preferred Stock	5,184,591	5,184,591
	18,831,760	16,439,156

Income Taxes

The Company provides deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the Company's financial statement carrying amounts and the tax basis of assets and liabilities using enacted tax rates expected to be in effect in the years in which the differences are expected to reverse. A valuation allowance is provided to reduce the deferred tax assets to the amount that will more likely than not be realized.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC Topic 740, *Expenses—Income Taxes*. When uncertain tax positions exist, the Company recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. The Company did not have any uncertain tax positions for any periods presented.

The Company assesses the impact of various tax reform proposals and modifications to existing tax treaties in all jurisdictions where it has operations to determine the potential effect on its business and any assumptions the Company has made about its future taxable income. The Company cannot predict whether any specific proposals will be enacted, the terms of any such proposals or what effect, if any, such proposals would have on its business if they were to be enacted. Beginning in 2022, the Tax Cuts and Jobs Act of 2017 eliminates the option to deduct research and development expenditures and requires taxpayers to amortize expense incurred in the United States over five years, and expense incurred outside of the United States over fifteen years. The United States Congress is considering legislation that would defer the amortization requirement to future periods, however, the Company has no assurance that the provision will be repealed or otherwise modified.

Segment Information

Operating segments are identified as components of an enterprise for which separate discrete financial information is available for evaluation by the chief operating decision maker, or CODM, in making decisions on how to allocate resources and assess performance. The CODM is the Company's Chief Executive Officer. The Company views its operations as and manages its business in one operating segment, focused on the discovery, development and commercialization of novel therapeutics for allergic and immunological diseases. The Company operates in one geographic segment. Segment information is further described in Note 11, "Segment Reporting".

Comprehensive Loss

Comprehensive loss includes net loss as well as other changes in stockholders' equity that result from transactions and economic events other than those with stockholders. Other comprehensive loss for all periods presented consists solely of unrealized gains (losses) on available-for-sale securities.

Leases

The Company determines if an arrangement is a lease at inception. Leases that are economically similar to the purchase of assets are generally classified as finance leases; otherwise the leases are classified as operating leases. The Company has elected not to recognize leases with an original term of one year or less on the balance sheet. Options to renew a lease are not included in the Company's assessment unless there is reasonable certainty that the Company will renew. Leases with a term greater than one year are recognized on the balance sheet as right-of-use ("ROU") assets, current portion of lease obligations, and long-term lease obligations. The Company does not currently hold any financing leases.

ROU lease assets represent the Company's right to use an underlying asset for the lease term and lease obligations represent the Company's obligation to make lease payments arising from the lease. Operating ROU lease assets and obligations are recognized at the commencement date based on the present value of lease payments over the lease term. However, certain adjustments to the ROU asset may be required for items such as incentives received. The Company has elected as an accounting policy to combine lease and non-lease components, such as common area maintenance, for all classes of underlying assets. As the Company's facility leases do not provide an implicit interest rate, the Company uses its estimated incremental borrowing rate, which is the rate incurred to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment at the commencement date. To estimate its incremental borrowing rate, a credit rating applicable to the Company is estimated using synthetic credit rating analysis since the Company does not currently have a rating agency-based credit rating.

The Company's ROU lease assets also include any lease payments made and excludes lease incentives. The Company would recognize facility leases that include options to terminate the lease that would affect the lease period when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments under facility leases are recognized on a straight-line basis over the lease term.

Acquired In-Process Research and Development

The Company measures and recognizes asset acquisitions that are not deemed to be business combinations based on the cost to acquire the assets, which includes transaction costs. Goodwill is not recognized in asset acquisitions. In an asset acquisition, the cost allocated to acquire in-process research and development ("IPR&D") with no alternative future use is charged to expense at the acquisition date. Refer to "License Agreement" below in this Note 2 for a more detailed description of the accounting policy utilized for the recent asset acquisition.

Preferred Stock Discount

In February 2021, the Company issued Series X Preferred Stock in a private placement transaction. It was determined that this transaction resulted in recognition of a beneficial conversion feature, which was valued based on the difference between the price of the shares of common stock on the date of commitment and the conversion price on the closing date, resulting in a total value of $19.6 million. Additionally, the Company incurred total issuance costs of $5.7 million related to the private placement. Both of these features were recorded as a discount on Series X Preferred Stock recognized at the close of the transaction. These features are analogous to preferred dividends and are recorded as a non-cash return to holders of Series X Preferred Stock through additional paid in capital. The discount related to the beneficial conversion feature is recognized through the earliest possible date of conversion, which occurred upon the stockholder approval of the conversion in June 2021. The issuance costs are recognized as a dividend at the time of conversion to common shares. As of December 31, 2024, $24.4 million of the above amounts were accounted for as a non-cash dividend related to shares of Series X Preferred Stock, and $0.9 million remained to be recognized upon future conversion.

License Agreement

On October 4, 2023, the Company entered into the Ichnos License Agreement, with Ichnos as discussed in Note 1, "Organization and Operations". Under the terms of the Ichnos License Agreement, the Company paid Ichnos a one-time upfront license fee of $15.0 million in October 2023. The Company concluded that the Ichnos License Agreement was not the acquisition of a business, as substantially all of the fair value of the gross assets acquired was concentrated in a single identifiable asset "ISB 830-X8", referred to by the Company as the STAR-0310 candidate. STAR-0310 is STAR-0310 candidate engineered with YTE half-life extension technology.

The Company determined that the cost to acquire the Licensed Intellectual Property assets was $15.2 million, primarily based on the fair value of the upfront license fee of $15.0 million and external legal fees of $0.2 million attributable to the acquired IPR&D. As the STAR-0310 candidate had not, at the time of the Ichnos License Agreement, received regulatory approval in any territory, the cost attributable to the IPR&D was expensed in the Company's consolidated statements of operations and comprehensive loss for the year ended December 31, 2023 as the acquired IPR&D had no alternative future use, as determined by the Company in accordance with U.S. GAAP.

Financing Costs

Costs incurred in connection with the issuance of equity units and shares are recorded as a reduction of proceeds to the equity carrying value. The Company capitalizes certain legal, professional accounting and other third-party fees that are directly associated with in-process financings as deferred offering costs until such financings are consummated. After consummation of the financing, these costs are recorded as a reduction of the proceeds received from the financing. If a planned financing is abandoned, the deferred offering costs are expensed immediately as a charge to operating expenses in the consolidated statement of operations and comprehensive loss. There were no deferred offering costs on the Company's consolidated balance sheet at December 31, 2024 and December 31, 2023.

Recently Adopted Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standard setting bodies and adopted by the Company as of the specified effective date.

In August 2020, the FASB issued Accounting Standards Update 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging Contracts in Entity's Own Equity (Subtopic 815-40)* ("ASU 2020-06"), which reduced the number of accounting models for convertible debt instruments and convertible preferred stock as well as amended the derivatives scope exception for contracts in an entity's own equity. ASU 2020-06 was effective for the Company for the fiscal year beginning on January 1, 2024, with early adoption permitted. The Company adopted this standard on January 1, 2024 with no material impact on the consolidated financial statements.

In November 2023, the FASB issued Accounting Standards Update 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). The amendments in this update improve reportable segment disclosure requirements through enhanced disclosures about significant segment expenses. All disclosure requirements of the update are required for entities with a single reportable segment. The amendments were effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and are required to be applied on a retrospective basis to all periods presented. Refer to Note 11, "Segment Reporting", for additional disclosures related to this new standard.

Recently Issued Accounting Pronouncements – Not Yet Adopted

In October 2023, the FASB issued Accounting Standards Update 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative* ("ASU 2023-06"), which incorporates certain United States Securities and Exchange Commission ("SEC") disclosure requirements into the Accounting Standards Codification ("ASC"). The amendments in ASU 2023-06 are expected to clarify or improve disclosure and presentation requirements of a variety of topics, allow investors to more easily compare entities subject to the SEC's existing disclosure requirements with those entities that were not previously subject to the requirements, and align the requirements in the ASC with the SEC's regulations. The effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The amendments in ASU 2023-06 should be applied prospectively. The Company is currently evaluating this guidance to determine the impact it may have on its consolidated financial statements.

In December 2023, the FASB issued Accounting Standards Update 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). This guidance is intended to enhance the transparency and decision-usefulness of income tax disclosures. The amendments in ASU 2023-09 address investor requests for enhanced income tax information primarily through changes to disclosure regarding rate reconciliation and income taxes paid both in the United States and in foreign jurisdictions. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 on a prospective basis, with the option to apply the standard retrospectively. Early adoption is permitted. The Company is currently evaluating this guidance to determine the impact it may have on its consolidated financial statement disclosures.

In November 2024, the FASB issued Accounting Standards Update 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). The amendments in ASU 2024-03 require public entities to disclose in a tabular format, on an annual and interim basis, the amounts of inventory purchases, employee compensation, depreciation and intangible asset amortization included in each income statement line item that contains those expenses. In January 2025, the FASB issued Accounting Standards Update 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)* ("ASU 2025-01"). ASU 2025-01 amends the effective date of ASU 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption of ASU 2024-03 is permitted. The Company is currently evaluating this guidance to determine the impact it may have on its consolidated financial statement disclosures.

3. Fair Value Measurements

The following tables present information about the Company's financial assets and liabilities that have been measured at fair value and indicates the fair value hierarchy of the valuation inputs utilized to determine such fair value. During the years ended December 31, 2024 and 2023, there were no transfers between Level 1, Level 2 and Level 3.

Below is a summary of assets and liabilities measured at fair value on a recurring basis (in thousands):

	As of December 31, 2024			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Cash and cash equivalents:				
Money market funds	$ 30,610	$ -	$ -	$ 30,610
Short-term investments:				
Treasury notes	129,197	-	-	129,197
Reverse repurchase agreements	-	100,000	-	100,000
Treasury bills	39,115	-	-	39,115
Total	$ 198,922	$ 100,000	$ -	$ 298,922

	As of December 31, 2023			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Cash and cash equivalents:				
Money market funds	$ 7,709	$ -	$ -	$ 7,709
Short-term investments:				
Reverse repurchase agreements	-	71,000	-	71,000
Total	$ 7,709	$ 71,000	$ -	$ 78,709

At December 31, 2024 and 2023, cash equivalents approximated their fair value due to their short-term nature.

4. Short-Term Investments

The following tables summarize short-term investments (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2024				
Treasury notes	$ 129,064	$ 136	$ (3)	$ 129,197
Reverse repurchase agreements	100,000	-	-	100,000
Treasury bills	39,085	31	(1)	39,115
Total	$ 268,149	$ 167	$ (4)	$ 268,312

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2023				
Reverse repurchase agreements	$ 71,000	$ -	$ -	$ 71,000
Total	$ 71,000	$ -	$ -	$ 71,000

The contractual maturities of all short-term investments held at December 31, 2024 and December 31, 2023 were one year or less. There were two short-term investments in an unrealized loss position at December 31, 2024 with an aggregate value of $9.8 million. There were no short-term investments in an unrealized loss position at December 31, 2023. These investments were in a loss position for less than 12 months and the Company considered the loss to be temporary in nature. The Company considered the decline in market value for these securities to be primarily attributable to economic and market conditions.

Gross realized gains and losses on the sales of short-term investments are included in other income, net. Unrealized holding gains or losses for the period that have been included in accumulated other comprehensive income, as well as gains and losses reclassified out of accumulated other comprehensive income into other income, net, were not material to the Company's consolidated results of operations. The cost of investments sold or the amount reclassified out of the accumulated other comprehensive income into other income, net is based on the specific identification method for purposes of recording realized gains and losses. All proceeds in the years ended December 31, 2024 and 2023 related to maturities of underlying investments. The gains on proceeds from maturities of short-term investments were not material to the Company's consolidated results of operations for the years ended December 31, 2024 and 2023.

5. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	December 31, 2024	December 31, 2023
Accrued contracted costs	$ 6,187	$ 3,861
Accrued compensation	5,084	4,047
Accrued professional fees	1,963	1,485
Accrued other	193	315
Total	$ 13,427	$ 9,708

6. Commitments

On January 3, 2024, the Company entered into a sublease agreement (the "Sublease") with Duck Creek Technologies LLC to occupy 30,110 square feet of office space in Boston, Massachusetts to replace its existing office space. The Sublease commenced on June 1, 2024 and will end on November 30, 2028 (or on such earlier date as the term may cease or expire as set forth in the Sublease). The Company concluded that the Sublease was an operating lease and recognized a lease liability and right-of-use ("ROU") asset of approximately $5.8 million at the inception of the Sublease. The lease liability represents the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate of 7.49%. The ROU asset represents the lease liability adjusted for any prepaid and accrued rent payments. The Sublease is secured by a security deposit of $0.4 million. As of December 31, 2024, the remaining lease term of the Sublease was 3.9 years. As of December 31, 2024, minimum lease payments under the Company's operating leases are summarized as follows (in thousands):

Period Ending December 31,	Amount
2025	1,446
2026	1,608
2027	1,640
2028	1,531
Total lease payments	$ 6,225
Less: imputed interest	(872)
Total operating lease liabilities	$ 5,353

Rent expense was $1.3 million and $0.6 million for the years ended December 31, 2024 and 2023, respectively. Lease payments were $1.0 million and $0.7 million for the years ended December 31, 2024 and 2023, respectively.

7. Stockholders' Equity

Preferred Stock

Under the Company's amended and restated certificate of incorporation, the Company has 5,000,000 shares of preferred stock authorized for issuance, with a $0.001 par value per share. Preferred stock may be issued from time to time in one or more series, each series to have such terms as stated or expressed in the resolutions providing for the issue of such series adopted by the board of directors of the Company (the "Board of Directors"). Preferred stock which may be redeemed, purchased or acquired by the Company may be reissued except as otherwise provided by law. As of December 31, 2024, the Company had 31,107 shares of Series X Preferred Stock outstanding. Each share of Series X Preferred Stock is convertible into 166.67 shares of common stock and therefore the number of shares of underlying common stock issuable upon conversion of the Series X Preferred Stock is 5,184,591.

Outstanding Warrants

The Company accounted for warrants to purchase its stock pursuant to ASC Topic 470, *Debt*, and ASC Topic 480, *Distinguishing Liabilities from Equity*, and classifies warrants for common stock and preferred stock as liabilities or equity. Warrants classified as liabilities are reported at their estimated fair value and any changes in fair value are reflected in research and development expense. Warrants classified as equity are reported at their estimated fair value with no subsequent remeasurement. As of December 31, 2024 and 2023, all outstanding warrants were classified as equity.

The following table presents information about warrants that are issued and outstanding at December 31, 2024:

Year Issued	Equity Instrument	Warrants Outstanding	Exercise Price	Date of Expiration
2023 (1)	Common Stock	6,796,280	$ 8.03	10/16/2028
Total		6,796,280		
Weighted average exercise price			$ 8.03	
Weighted average life in years				3.79

(1) 1,571,093 pre-funded warrants were issued in 2023 with an exercise price of $0.001 per share and are exercisable until all pre-funded warrants are exercised in full. 1,571,093 pre-funded warrants were outstanding as of December 31, 2024 and are not included in the table above.

Common Stock

As of December 31, 2024, the Company had 150,000,000 shares of common stock authorized for issuance, $0.001 par value per share, with 56,434,219 shares issued and outstanding.The voting, dividend and liquidation rights of holders of common stock are subject to and qualified by the rights, powers and preferences of the holders of any outstanding preferred stock.

Reserved for Future Issuance

The Company has reserved the following shares of common stock for future issuance:

	December 31, 2024	December 31, 2023
Reserved under the 2015 Second Amended and Restated Stock Incentive Plan and the 2022 Inducement Stock Incentive Plan	8,849,170	5,334,301
Warrants for the purchase of common stock	8,367,373	9,271,689
Options outstanding to purchase common stock	6,850,889	3,553,969
Series X Preferred Stock	5,184,591	5,184,591
Reserved under the employee stock purchase plan	49,139	43,060
Total	29,301,162	23,387,610

8. Stock-Based Compensation

2015 Second Amended and Restated Equity Incentive Plan

Prior to the Company's initial public offering in June 2015 (the "IPO"), the Company granted awards to eligible participants under its 2008 Equity Incentive Plan. In May 2015, the Board of Directors adopted and, in June 2015, the Company's stockholders approved the 2015 Stock Incentive Plan, as amended and amended and restated since the IPO ("2015 Plan"), which became effective immediately prior to the effectiveness of the IPO. Subsequent to the IPO, no option grants have been awarded to eligible participants under the 2008 Equity Incentive Plan.

The 2015 Plan provides for the grant of incentive stock options, non-statutory stock options, restricted stock awards, restricted stock units, stock appreciation rights and other stock-based awards. The Company's employees, officers, directors and consultants and advisors are eligible to receive awards under the 2015 Plan.

Terms of stock option agreements, including vesting requirements, are determined by the Company's board of directors, subject to the provisions of the applicable stock incentive plan. Options granted by the Company generally vest ratably over four years, with a one-year cliff, and options are exercisable from the date of grant for a period of ten years. As of December 31, 2024, options to purchase 5,378,672 shares of common stock are outstanding and 7,554,324 shares of common stock remain available for issuance under the 2015 Plan, all of which shares of common stock are reserved for issuance.

2022 Inducement Stock Incentive Plan

On February 17, 2022, the Board of Directors adopted the 2022 Inducement Stock Incentive Plan (the "Inducement Plan"). The Inducement Plan provides for the grant of nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards with respect to an aggregate of 300,000 shares of the Company's common stock. Awards under the Inducement Plan may only be granted to persons who (a) were not previously an employee or director of the Company or (b) are commencing employment with the Company following a bona fide period of non-employment, in either case as an inducement material to the individual's entering into employment with the Company and in accordance with the requirements of Nasdaq Stock Market Rule 5635(c)(4).

The Board of Directors approved amendments to the Inducement Plan to increase the number of shares of common stock authorized for issuance by 1,400,000 shares of common stock in the year ended December 31, 2023 and 1,100,000 shares of common stock in the year ended December 31, 2024. As of December 31, 2024, options to purchase 1,472,217 shares of common stock are outstanding and 1,294,846 shares of common stock remain available for issuance under the Inducement Plan, all of which shares of common stock are reserved for issuance.

Stock Option Activity

A summary of the Company's stock option activity and related information for employees and non-employees follows:

	Shares	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2023	3,553,969	$ 13.59	8.39	$ 1,912
Granted	3,644,675	$ 13.90		
Exercised	(36,539)	$ 5.21		
Cancelled or forfeited	(309,544)	$ 12.52		
Expired	(1,672)	$ 414.04		
Outstanding at December 31, 2024	6,850,889	$ 13.75	8.31	$ 2,946
Vested and exercisable at December 31, 2024	2,206,580	$ 15.15	7.05	$ 1,878
Vested and expected to vest at December 31, 2024	6,850,889	$ 13.75	8.31	$ 2,946

The total intrinsic value of options exercised in the years ended December 31, 2024 and 2023 was $0.2 million and $0.5 million, respectively. The total grant date fair value of stock options vested for the year ended December 31, 2024 and 2023 was $8.6 million and $4.4 million, respectively. The weighted-average grant date fair value of options granted to employees and non-employees for the years ended December 31, 2024 and 2023 was $9.51 and $7.20 per share, respectively.

At December 31, 2024, the total unrecognized compensation expense related to unvested stock option awards was $33.2 million. The Company expects to recognize that cost over a weighted-average period of approximately 2.9 years.

Stock-Based Compensation Expense

During the years ended December 31, 2024 and 2023, the Company recorded stock-based compensation expense for employee and non-employee stock options and restricted stock, which was allocated as follows in the statements of operations (in thousands):

	Year Ended December 31,	
	2024	**2023**
Research and development	$ 3,782	$ 1,304
General and administrative	9,260	5,010
Total	$ 13,042	$ 6,314

No related tax benefits were recognized for the years ended December 31, 2024 and 2023.

The fair value of stock options granted to employees and non-employees was estimated using the Black-Scholes option-pricing model based on the following assumptions:

	Year Ended December 31,	
	2024	**2023**
Weighted-average expected volatility	74.32%-76.4%	65.86%-73.68%
Expected term (in years)	5.5-6.25	5.5-6.25
Risk-free interest rate	3.53%-4.59%	3.42%-4.67%
Expected dividend yield	0%	0%

9. Income Taxes

For the years ended December 31, 2024 and 2023, the Company did not record a provision for federal or state income taxes as it has incurred cumulative net operating losses since inception.

A reconciliation of the U.S. statutory income tax rate to the Company's effective tax rate is as follows for the years ended December 31, 2024 and 2023:

	Year Ended December 31,	
	2024	2023
Federal income tax (benefit) at statutory rate	21.00%	21.00%
Permanent differences	(0.07)	(0.12)
Federal research and development credits and adjustments	5.43	3.44
State income tax, net of federal benefit	6.34	6.25
Stock compensation	(1.76)	(1.61)
Other	(0.39)	0.05
Change in valuation allowance	(30.55)	(29.01)
Effective income tax rate	-%	-%

The Company's deferred tax assets consisted of the following (in thousands):

	Year Ended December 31,	
	2024	2023
Deferred tax assets		
Net operating loss carryforwards	$ 93,650	$ 85,734
Tax credit carryforwards	19,719	14,576
Capitalized research and development	31,719	16,927
Capitalized licenses	3,714	4,041
Capitalized legal expenses	816	918
Lease liability	1,442	90
Other differences	3,846	2,587
Total gross deferred tax assets	154,906	124,873
Less valuation allowance	(153,529)	(124,774)
Net deferred tax assets	1,377	99
Deferred tax liabilities		
ROU asset	(1,377)	(99)
Net deferred taxes	$ -	$ -

For taxable years beginning after December 31, 2021, the Tax Cuts and Jobs Act (the "Tax Act") eliminated the option to deduct research and development expenditures in the current year and requires taxpayers to capitalize such expenses pursuant to the Internal Revenue Code of 1986, as amended ("IRC") Section 174. As a result of this provision of the Tax Act, deferred tax assets related to capitalized research expenses pursuant to IRC Section 174 increased to approximately $31.7 million for the year ended December 31, 2024, and $16.9 million for the year ended December 31, 2023.

The Company recorded an increase to the valuation allowance of $28.8 million during the year ended December 31, 2024 due primarily to the federal and state net operating losses and tax credits generated in the current year. The Company recorded an increase to the valuation allowance of $21.1 million during the year ended December 31, 2023, which was also primarily due to the federal and state net operating losses, and tax credits generated.

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences representing net future deductible amounts become deductible. Due to the Company's history of losses and expectation of future losses, the deferred tax assets were fully offset by a valuation allowance at December 31, 2024 and 2023.

As of December 31, 2024, the Company had approximately $340.8 million of federal and $349.5 million of state net operating loss respectively, which may be available to offset future taxable income, if any, of which $150.6 million of federal and $349.5 million of state carryforwards will expire at various dates from 2028 through 2044. Additionally, $190.2 million of federal net operating loss carryforwards will carry forward indefinitely. The Company had $16.4 million of federal and $4.2 million of state tax credit carryforwards available to reduce future tax liabilities as of December 31, 2024, which will expire at varying times through the year 2044.

The IRC provides for a limitation of the annual use of net operating losses and other tax attributes (such as research and development tax credit carryforwards) following certain ownership changes (as defined by the IRC) that could limit the Company's ability to utilize these carryforwards. The Company has completed a study through December 31, 2022 to assess whether an ownership change under Section 382 of the IRC has occurred and as a result the Astria federal and state net operating loss and research and development credit carryforwards are significantly limited for use. Accordingly, the Company's ability to utilize the aforementioned carryforwards are limited. Additionally, U.S. tax laws limit the time during which these carryforwards may be applied against future taxes. Therefore, the Company will not be able to take full advantage of all of its current carryforwards for federal or state income tax purposes.

As of December 31, 2024 and 2023, the Company did not have any significant unrecognized tax benefits. Interest and penalty charges, if any, related to uncertain tax positions would be classified as income tax expenses in the accompanying consolidated statements of operations. The Company has not had any accrued interest or penalties related to uncertain tax positions.

The federal and state income tax returns are generally subject to tax examinations for the tax years ended December 31, 2021 through December 31, 2024. To the extent the Company has tax attribute carryforwards, the tax years in which the attribute was generated may still be adjusted upon examination by the Internal Revenue Service or state taxing authorities to the extent utilized in a future period.

10. Defined Contribution Benefit Plan

The Company offers a defined-contribution savings plan under Section 401(k) of the IRC., in which substantially all of its employees are eligible to participate. Participants may contribute a percentage of their annual compensation to this plan, subject to statutory limitations. In 2023, the Company matched 100% of an employee's 401(k) contributions up to $4,000. Beginning on January 1, 2024, the Company matched the higher of: 100% of an employee's 401(k) contributions up to $4,000 or 50% of an employee's 401(k) contributions up to a maximum of 5% of the participant's salary, subject to employer match limitations under the IRC. The Company provided $0.4 million and $0.2 million in matching contributions during the years ended December 31, 2024 and 2023, respectively.

11. Segment Reporting

The Company operates and manages its business as one reportable segment and one operating segment focused on the discovery, development and commercialization of novel therapeutics for allergic and immunological diseases. The CODM assesses performance for the segment and decides how to allocate resources based on consolidated net loss that is also reported on the consolidated statements of operations.

The measure of segment assets is reported on the consolidated balance sheets as total consolidated assets. All material long-lived assets are located in the United States. Long-lived assets consist of property and equipment, net, and operating lease right-of-use assets.

The CODM uses consolidated net loss to evaluate the Company's spend and monitor budget versus actual results. The monitoring of budgeted versus actual results is used in assessing performance of the segment and in establishing resource allocation across the organization.

Factors used in determining the reportable segment include the nature of the Company's operating activities, the organizational and reporting structure and the type of information reviewed by the CODM to allocate resources and evaluate financial performance. The accounting policies of the segment are the same as those described in Note 2, "Summary of Significant Accounting Policies".

The following table presents reportable segment profit and loss, including significant expense categories, attributable to the Company's reportable segment for the periods presented:

	Year Ended December 31,	
	2024	2023
Expenses[1]:		
Research and development:		
Navenibart	$ 32,401	$ 24,186
STAR-0310	15,497	677
Employee expenses	14,415	9,859
General and administrative:		
Program support[2]	1,021	476
Employee expenses	11,575	9,128
Stock-based compensation expense	12,907	6,313
Consulting and professional services expenses	17,952	9,382
Other segment expenses[3]	5,790	7,810
Acquired in-process research and development[4]	-	15,199
Other income, net[5]	(17,298)	(10,139)
Segment net loss	$ 94,260	$ 72,891

(1) The significant expense categories and amounts align with segment level information that is regularly provided to the CODM.
(2) General and administrative program support expense includes commercial costs incurred in support of navenibart and STAR-0310, and patient advocacy costs incurred in support of navenibart and STAR-0310.
(3) Other segment expense includes: costs incurred in support of overall research and development activities and non-specific programs, facilities expense, office expense, insurance expense and depreciation and amortization.
(4) Acquired in-process research and development includes expense associated with entering into a license agreement as discussed in Note 1, "Organization and Operations".
(5) Other income, net, consists primarily of interest income on investments, as further described in Note 4, "Short-Term Investments". For the years ended December 31, 2024 and 2023, the Company recognized interest income of $17.4 million and $10.2 million, respectively.

12. Subsequent Events

The Company considers events or transactions that occur after the balance sheet date but prior to the issuance of the financial statements to provide additional evidence for certain estimates and to identify matters that require additional disclosure. Subsequent events have been evaluated as required.

Exhibit 99.4

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- Registration Statements (Form S-8 Nos. 333-231108, 333-239078, 333-245024, 333-259919, 333-267193, and 333-275401) pertaining to the BioCryst Pharmaceuticals, Inc. Inducement Equity Incentive Plan, as amended and restated,
- Registration Statements (Form S-3 Nos. 333-145638, 333-153084, 333-217859, and 333-277417) of BioCryst Pharmaceuticals, Inc.,
- Registration Statements (Form S-8 Nos. 333-120345, 333-39484, 333-30751, and 333-136703) pertaining to the BioCryst Pharmaceuticals, Inc. 1991 Stock Option Plan, as amended and restated,
- Registration Statements (Form S-8 Nos. 333-90582, 333-239077, and 333-256624) pertaining to the BioCryst Pharmaceuticals, Inc. Employee Stock Purchase Plan, as amended and restated,
- Registration Statement (Form S-8 No. 333-145627) pertaining to the BioCryst Pharmaceuticals, Inc. Stock Incentive Plan, as amended and restated, and the Employment Letter Agreement dated April 2, 2007 between BioCryst Pharmaceuticals, Inc. and David McCullough,
- Registration Statements (Form S-8 Nos. 333-176096, 333-211529, 333-218360, 333-228296, 333-231942, 333-239076, 333-256625, 333-266132, 333-273042, 333-281294, and 333-289527) pertaining to the BioCryst Pharmaceuticals, Inc. Stock Incentive Plan, as amended and restated,
- Registration Statements (Form S-8 Nos. 333-152570, 333-167830, 333-187193, and 333-195869) pertaining to the BioCryst Pharmaceuticals, Inc. Stock Incentive Plan and the Employee Stock Purchase Plan, each as amended and restated, and
- Registration Statement (Form S-4 No. 333-291678) of BioCryst Pharmaceuticals, Inc.,

of our report dated March 11, 2025, relating to the consolidated financial statements of Astria Therapeutics, Inc. as of and for the years ended December 31, 2024 and 2023 appearing in this Current Report on Form 8-K of BioCryst Pharmaceuticals, Inc.

/s/ Ernst & Young LLP

Boston, Massachusetts

January 23, 2026